

House File 378 - Introduced

HOUSE FILE 378

BY ISENHART and ANDERSON

A BILL FOR

1 An Act providing for a state assessment for clean water
2 imposed on agricultural commodities, including establishing
3 procedures for referendums to establish, continue, or
4 terminate the state assessment, the transfer of moneys to
5 the department of agriculture and land stewardship, state
6 sales and use taxes, the natural resources and outdoor
7 recreation fund, the establishment of a commission and fund
8 and the appropriation of moneys.
9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWA DAIRY INDUSTRY COMMISSION AND

IOWA STATE DAIRY ASSOCIATION

Section 1. Section 179.1, Code 2017, is amended by adding the following new subsections:

NEW SUBSECTION. 01. "*Assessment*" means an excise tax on the sale of milk which may include a state assessment for direct use and a state assessment for clean water.

NEW SUBSECTION. 2A. "*Federal Act*" means the Dairy Product Stabilization Act of 1983, 7 U.S.C. §4501 et seq.

NEW SUBSECTION. 3A. "*National assessment*" means an excise tax on the sale of milk imposed pursuant to the federal Act.

NEW SUBSECTION. 10. "*Secretary*" means the secretary of agriculture.

Sec. 2. Section 179.1, subsection 2, Code 2017, is amended to read as follows:

2. ~~The term "*commission*" shall mean~~ "*Commission*" means the Iowa dairy industry commission created in section 179.2.

Sec. 3. Section 179.2, subsections 4, 5, 6, and 7, Code 2017, are amended to read as follows:

4. a. When a national promotional order is established by the United States department of agriculture pursuant to the ~~Dairy Product Stabilization Act of 1983~~ federal Act, collection of the ~~excise tax~~ state assessment for direct use described in section 179.5 shall be suspended for the period in which the national order is in effect. The commission shall continue to operate thereafter for only the period of time necessary to pay refunds and disburse the ~~funds~~ moneys remaining in the dairy industry fund for ~~the purposes enumerated in~~ administering this chapter. Upon completion of these acts, the existence of the ~~Iowa dairy industry~~ commission shall be suspended. The secretary of agriculture shall certify the suspension of the commission as of a date certain to the ~~Iowa dairy industry~~ commission and the Iowa state dairy association. When the existence of the commission is suspended, the terms of office

1 being served by individual commissioners shall terminate.

2 b. The establishment of a national promotional order shall
 3 not affect the imposition of a state assessment for clean water
 4 established pursuant to section 179.13A.

5 5. When the national promotional order expires, the period
 6 of suspension of the ~~excise tax~~ state assessment for direct use
 7 established in section 179.5 shall terminate and the secretary
 8 ~~of agriculture~~ shall take the steps necessary to collect that
 9 ~~excise tax~~ state assessment and otherwise fulfill the duties of
 10 the commission, except that of expending ~~funds~~ moneys collected
 11 under the ~~excise tax~~ that state assessment, until those
 12 duties can be resumed by the reactivated commission. When the
 13 national promotional order expires, the period of suspension of
 14 the commission shall terminate. The secretary ~~of agriculture~~
 15 shall call the first meeting of the reactivated commission.
 16 Upon reactivation, the commission shall reimburse the secretary
 17 ~~of agriculture~~ for expenses incurred in carrying out the duties
 18 provided in this subsection.

19 6. When the national dairy promotion program expires and
 20 the suspension of the ~~Iowa dairy industry~~ commission terminates
 21 pursuant to subsection 5, all first purchasers shall, in a
 22 manner designed to reflect their proportionate contributions
 23 to the national dairy promotion program in its most recently
 24 completed fiscal year, nominate two resident producers for each
 25 of the sixteen offices of the commission. The secretary ~~of~~
 26 ~~agriculture~~ shall then appoint one nominee from each set of
 27 two nominees as commissioners of the reactivated ~~Iowa dairy~~
 28 ~~industry~~ commission. The secretary ~~of agriculture~~ shall
 29 stagger the terms of the reactivated commission resulting in
 30 as nearly as possible one third of the commissioners serving
 31 for one year, one third of the commissioners serving for two
 32 years, and one third of the commissioners serving for three
 33 years. After the initial staggering of terms by the secretary,
 34 commissioners shall be appointed to three-year terms.

35 7. The establishment or expiration of a national

1 promotional order shall not affect the imposition of a state
2 assessment for clean water established pursuant to section
3 179.13A.

4 ~~7.~~ 8. After the reactivated commission has been formed,
5 nominations for commissioners shall be made by first
6 purchasers in a manner designed to reflect their proportionate
7 contributions to the ~~Iowa dairy industry~~ commission in its most
8 recently completed fiscal year.

9 Sec. 4. Section 179.3, Code 2017, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 10. To cooperate with the division of soil
12 conservation and water quality of the department of agriculture
13 and land stewardship in transferring moneys collected from
14 the state assessment for clean water to the clean water fund
15 created in section 466B.51.

16 Sec. 5. Section 179.4, Code 2017, is amended to read as
17 follows:

18 **179.4 ~~Expenditure of funds~~ Use of moneys.**

19 ~~Funds collected through~~ Moneys collected by the commission
20 from the excise tax are to state assessment for direct use
21 imposed pursuant to section 179.5 shall be used for purposes
22 of advertising and promotion, product, process, and nutrition,
23 dietetics, and physiology research, nutrition education, public
24 relations, research and development, and for other activities
25 that contribute to producer efficiency and productivity.
26 In addition, the commission shall use these ~~funds~~ moneys
27 to maintain existing markets, to make contributions to
28 organizations working toward the purposes of this section,
29 and to assist in the development of new or enlarged markets
30 for milk, both domestic and foreign. The primary purpose for
31 use of these ~~funds~~ moneys is to increase consumption of milk.
32 The commission may contract for advertising, publicity, sales
33 promotion, research, and educational services the ~~committee~~
34 commission deems appropriate to further the objectives of this
35 section.

1 Sec. 6. Section 179.5, Code 2017, is amended to read as
2 follows:

3 **179.5 ~~Excise tax~~ State assessments — administration of**
4 **moneys — appropriation.**

5 1. a. There is ~~levied and imposed an excise tax~~ a state
6 assessment for direct use on all producers within the state
7 at a rate of three-fourths of one percent of the gross value
8 of milk produced in the state and which may be continued by
9 special referendum as provided in section 179.13A.

10 b. There is imposed a state assessment for clean water on
11 all producers within the state at a rate established by the
12 commission not to exceed the rate of the state assessment for
13 direct use described in paragraph "a", if the state assessment
14 for clean water is established or continued pursuant to section
15 179.13A.

16 2. ~~All taxes levied and~~ The state assessment for direct use
17 and the state assessment for clean water imposed under this
18 chapter shall be deducted from the sales price received by the
19 producer and shall be collected by the first purchaser, except
20 as follows:

21 a. If the producer produces milk from cows and sells the
22 milk directly to the consumer, ~~the taxes~~ each state assessment
23 shall be remitted by that producer.

24 b. If the producer sells milk to a first purchaser outside
25 the state, ~~the taxes are~~ each state assessment is due and
26 payable by that producer before the shipment is made, except
27 that the commission may make agreements with extra state
28 purchasers for the keeping of records and the collection of ~~the~~
29 ~~taxes~~ each state assessment as necessary to secure the payment
30 of ~~the taxes~~ each state assessment within the time fixed by
31 this chapter.

32 3. ~~All taxes levied and~~ The state assessment for direct use
33 and the state assessment for clean water if established and
34 imposed under this chapter, and any other contributions made to
35 the ~~dairy industry~~ commission, shall be paid to and collected

1 by the commission within thirty days after the end of the month
2 during which the milk was marketed.

3 4. The commission shall remit moneys collected from
4 ~~the taxes~~ state assessment for direct use and any other
5 contributions obtained by the commission to the treasurer of
6 the state each quarter, and at the same time shall render to
7 the director of the department of administrative services an
8 itemized and verified report showing the source from which
9 the taxes moneys collected from the state assessment for
10 direct use and voluntary contributions were obtained. All
11 ~~taxes~~ moneys collected from the state assessment for direct
12 use and voluntary contributions received, collected, and
13 remitted by the commission shall be placed in a special fund
14 by the treasurer of state and the director of the department
15 of administrative services, to be known as the "dairy industry
16 fund" to be used by the Iowa dairy industry commission for
17 the purposes set out in this chapter and to administer and
18 enforce the laws relative to this chapter. The department of
19 administrative services shall transfer moneys from the fund
20 to the commission for deposit into an account established
21 by the commission in a qualified financial institution.
22 The department shall transfer the moneys as provided in a
23 resolution adopted by the commission. However, the department
24 is only required to transfer moneys once during each day and
25 only during hours when the offices of the state are open.
26 Moneys deposited in the fund and transferred to the commission
27 as provided in this section are appropriated and shall be used
28 for the purpose of carrying out the provisions of this chapter.

29 5. The commission may deposit moneys collected from the
30 state assessment for clean water in a qualified financial
31 institution until transferred to the clean water fund
32 created in section 466B.51. During the period when a
33 national promotional order is in effect, the Iowa state dairy
34 association shall deposit the moneys collected from that
35 state assessment in a qualified financial institution until

1 transferred to the clean water fund. If the state assessment
 2 for clean water is terminated as provided in section 179.13A,
 3 the remaining moneys collected from that state assessment shall
 4 be immediately transferred to the clean water fund.

5 6. The commission may require that the invoice also show the
 6 total amount of any state assessment for direct use deducted
 7 from the sales price. If a national assessment is being
 8 collected, the Iowa state dairy association may require that
 9 the invoice for the national assessment also show the total
 10 amount of any national assessment, if permitted by federal law.
 11 If a state assessment for clean water is collected, the first
 12 purchaser shall furnish the producer at the time of payment an
 13 invoice showing the total amount of the state assessment for
 14 clean water deducted from the sales price.

15 4. 7. a. A person from whom the excise tax provided in
 16 this chapter a state assessment for direct use is collected
 17 may, by application filed with the commission within thirty
 18 days after the collection of the tax state assessment, have the
 19 tax state assessment refunded to that person by the commission.

20 b. If a state assessment for direct use is imposed, a person
 21 from whom a state assessment for clean water is collected
 22 may file an application for a refund with the commission.
 23 The application for a refund shall allow the person to elect
 24 whether the refund is for the state assessment for direct
 25 use or the state assessment for clean water or both. The
 26 commission shall not approve an application unless the
 27 application indicates the election. The commission shall
 28 forward an approved application for a refund of the state
 29 assessment to the division of soil conservation and water
 30 quality for payment.

31 c. If a national assessment is imposed and a refund of the
 32 national assessment is authorized, a person from whom a state
 33 assessment for clean water is collected may file an application
 34 for a refund with the Iowa state dairy association. The
 35 application shall to the extent allowed by federal law allow

1 the person to elect whether the refund is for the national
 2 assessment or the state assessment for clean water or both.
 3 The association shall forward the approved application for a
 4 refund of the state assessment for clean water to the division
 5 of soil conservation and water quality for payment.

6 Sec. 7. Section 179.6, Code 2017, is amended to read as
 7 follows:

8 **179.6 Records of producers, first purchasers.**

9 Every producer shipping milk to a first purchaser outside of
 10 Iowa who is not by agreement with the commission collecting the
 11 ~~tax~~ state assessment for direct use or the state assessment for
 12 clean water imposed by **this chapter**, and every first purchaser
 13 within the state, and every producer distributing milk directly
 14 to the consumer, shall keep a complete and accurate record of
 15 all milk produced or purchased by the person during the period
 16 for which ~~an excise tax levy~~ a state assessment is imposed
 17 under **this chapter**. The records shall be in the form and
 18 contain the information prescribed by the commission, shall be
 19 preserved by the person charged with their making for a period
 20 of two years, and shall be offered or submitted for inspection
 21 at any time upon written or oral request by the commission or
 22 its duly authorized agent or employee.

23 Sec. 8. Section 179.8, Code 2017, is amended to read as
 24 follows:

25 **179.8 Payment of expenses — limitation.**

26 1. No part of the expense incurred by the commission
 27 shall be paid out of moneys in the state treasury except
 28 moneys transferred to the commission from the dairy industry
 29 fund. Moneys transferred from the fund to the commission, as
 30 provided in **section 179.5**, shall be used for the payment of
 31 all salaries, and other expenses necessary, to carry out the
 32 provisions of **this chapter**. However, in no event shall the
 33 total expenses exceed the total ~~taxes~~ amount collected from the
 34 state assessment for direct use collected and transferred from
 35 the fund to the commission.

1 2. No more than five percent of the ~~excise tax~~ collected
2 moneys collected from the state assessment for direct use and
3 received by the commission pursuant to [section 179.5](#) shall be
4 utilized for administrative expenses of the commission.

5 Sec. 9. Section 179.9, Code 2017, is amended to read as
6 follows:

7 **179.9 Investigations by commission.**

8 The commission shall have the power to cause its authorized
9 agents to enter upon the premises of any person charged by this
10 chapter or by agreement with the commission with the collection
11 of ~~the excise tax~~ a state assessment for direct use or a state
12 assessment for clean water imposed by [this chapter](#), and to
13 cause to be examined by any such agent any books, records,
14 documents, or other instruments bearing upon the amount of
15 moneys from such ~~tax~~ state assessment collected or to be
16 collected by such person; provided that the commission has
17 reasonable ground to believe that all moneys from the ~~tax~~ state
18 assessments herein ~~levied has~~ imposed have not been collected,
19 or if ~~it has~~ they have not been fully accounted for as herein
20 provided.

21 Sec. 10. Section 179.10, Code 2017, is amended to read as
22 follows:

23 **179.10 Report.**

24 The commission shall each year prepare and submit a report
25 summarizing the activities of the commission under [this chapter](#)
26 to the auditor of state and the secretary of ~~agriculture~~. The
27 report shall show all income, expenses, and other relevant
28 information concerning ~~fees~~ the state assessment for direct
29 use collected and expended under [this chapter](#). The report
30 shall also show the collection and transfer of moneys received
31 from any state assessment for clean water imposed under this
32 chapter.

33 Sec. 11. Section 179.13, Code 2017, is amended to read as
34 follows:

35 **179.13 ~~Referendum~~ Initial referendum.**

1 1. a. At a time designated by the commission within
2 eighteen months after termination of the national promotional
3 order made pursuant to the ~~Dairy Product Stabilization~~
4 federal Act of 1983, the commission shall conduct a an initial
5 referendum under administrative procedures prescribed by the
6 department.

7 b. Upon signing a statement certifying to the department
8 that the person is a bona fide producer as defined in this
9 chapter, each producer is entitled to one vote in each initial
10 referendum. When the secretary is required to determine the
11 approval or disapproval of producers under this section, the
12 secretary shall consider the approval or disapproval of a
13 cooperative association of producers, engaged in a bona fide
14 manner in marketing milk, as the approval or disapproval of the
15 producers who are members of or contract with the cooperative
16 association of producers. If a cooperative association
17 elects to vote on behalf of its members, the cooperative
18 association shall provide each producer on whose behalf the
19 cooperative association is expressing approval or disapproval
20 with a description of the question presented in the initial
21 referendum together with a statement of the manner in which
22 the cooperative association intends to cast its vote on behalf
23 of the membership. The information shall inform the producer
24 of procedures to follow to cast an individual ballot if the
25 producer chooses to do so within the period of time established
26 by the secretary for casting ballots. The notification shall
27 be made at least thirty days prior to the initial referendum
28 and shall include an official ballot. The ballots shall be
29 tabulated by the secretary and the vote of the cooperative
30 association shall be adjusted to reflect the individual votes.

31 c. The department shall count and tabulate the ballots
32 filed during the initial referendum within thirty days of the
33 close of the initial referendum. If from the tabulation the
34 department determines that a majority of the total number of
35 producers voting in the initial referendum favors the proposal,

1 the ~~excise tax~~ state assessment for direct use provided for in
 2 this chapter shall be continued. The ballots cast pursuant
 3 to this section constitute complete and conclusive evidence
 4 for use in determinations made by the department under this
 5 chapter.

6 2. The secretary may conduct a special referendum at any
 7 time after the ~~Iowa dairy industry~~ commission is reactivated,
 8 and shall ~~hold a~~ conduct a special referendum ~~on request upon~~
 9 receiving a petition of a representative group comprising ten
 10 percent or more of the number of producers eligible to vote,
 11 to determine whether the producers favor the ~~termination or~~
 12 suspension or termination of the ~~excise tax~~ state assessment
 13 for direct use. The secretary shall suspend or terminate
 14 ~~collection of the excise tax within~~ state assessment for direct
 15 use no later than six months after the secretary determines
 16 that suspension or termination of the ~~excise tax~~ state
 17 assessment is favored by a majority of the producers voting
 18 in the special referendum, and shall suspend or terminate the
 19 ~~excise tax~~ state assessment in an orderly manner as soon as
 20 practicable after the determination.

21 **Sec. 12. NEW SECTION. 179.13A Referendums and special**
 22 **questions — establishment, increase, or termination of a state**
 23 **assessment.**

24 1. a. If a state assessment for direct use is established,
 25 and upon receipt of a petition of producers that otherwise
 26 complies with requirements to conduct an initial referendum
 27 under section 179.13, subsection 1, the secretary shall conduct
 28 a special referendum to determine whether to establish a state
 29 assessment for clean water.

30 b. Upon receipt of a petition of producers that otherwise
 31 complies with requirements to conduct an initial referendum
 32 under section 179.13, the secretary shall include as part of
 33 the initial referendum conducted pursuant to section 179.13,
 34 subsection 1, a separate special question whether to establish
 35 a state assessment for clean water, if the secretary determines

1 the inclusion of the special question is cost-effective or the
2 petition demands inclusion.

3 *c.* The secretary shall conduct the special referendum under
4 this subsection or include the special question as part of an
5 initial or special referendum conducted under section 179.13,
6 subsection 1, in consultation with the commission and which
7 may be based on the same procedures for conducting an initial
8 referendum under section 179.13.

9 *d.* If the secretary determines that the establishment of
10 a state assessment for clean water is favored by a majority
11 of the producers voting in a special referendum under this
12 subsection or in an initial referendum conducted under section
13 179.13, subsection 1, that includes a special question as
14 provided in paragraph "b", the state assessment shall commence
15 on a date determined by the secretary after consultation with
16 the commission but not later than six months after the date
17 that the special or initial referendum was conducted.

18 2. *a.* If a national assessment is being collected, and upon
19 receipt of a petition of producers that otherwise complies with
20 requirements to conduct an initial referendum under section
21 179.13, subsection 1, the secretary shall conduct a special
22 referendum to determine whether to establish a state assessment
23 for clean water.

24 *b.* Upon receipt of a petition of producers that otherwise
25 complies with requirements to conduct an initial referendum
26 under section 179.13, subsection 1, the secretary shall include
27 as part of the referendum to establish a national assessment,
28 a separate special question whether to establish a state
29 assessment for clean water, if the secretary determines the
30 inclusion of the special question complies with federal law and
31 either is cost-effective or the petition demands inclusion.

32 *c.* The secretary shall conduct the special referendum under
33 this subsection or include the special question as part of a
34 referendum to establish a national referendum in consultation
35 with the Iowa state dairy association and which may be based on

1 the same procedures for conducting an initial referendum under
2 section 179.13, subsection 1, or a referendum to establish a
3 national assessment.

4 *d.* If the secretary determines that the establishment of a
5 state assessment for clean water is favored by a majority of
6 the producers voting in a special referendum conducted under
7 paragraph "a" or a referendum to establish a national assessment
8 that includes a special question as provided in paragraph "b",
9 the state assessment shall commence on a date determined by
10 the secretary after consultation with the Iowa state dairy
11 association but not later than six months after the date that
12 the special referendum or referendum establishing a national
13 assessment was conducted.

14 3. *a.* If the rate of the national assessment has been
15 increased, and upon receipt of a petition of producers that
16 otherwise complies with requirements to conduct an initial
17 referendum under section 179.13, subsection 1, the secretary
18 shall conduct a special referendum to determine whether to
19 increase the rate of the state assessment for clean water to
20 a rate established by the Iowa state dairy association not to
21 exceed the rate of the national assessment.

22 *b.* Upon receipt of a petition of producers that otherwise
23 complies with requirements to conduct an initial referendum
24 under section 179.13, subsection 1, the secretary shall include
25 as part of a referendum to increase the rate of the national
26 assessment, a separate special question whether to increase
27 the rate of the state assessment for clean water at a rate
28 established by the Iowa state dairy association not to exceed
29 the increase in the national assessment, if the secretary
30 determines the inclusion of the special question complies
31 with federal law and is either cost-effective or the petition
32 demands inclusion.

33 *c.* The secretary shall conduct the special referendum under
34 this subsection, or include the special question as part of a
35 referendum to increase the national assessment, in consultation

1 with the Iowa state dairy association and which may be based on
2 the same procedures for conducting an initial referendum under
3 section 179.13, subsection 1, or a referendum to increase the
4 rate of the national assessment.

5 *d.* If the national assessment is increased, and the
6 secretary determines that an increase in the state assessment
7 for clean water is favored by a majority of the producers
8 voting in a special referendum or referendum to increase
9 the rate of the national assessment, the rate of the state
10 assessment shall be increased on a date determined by the
11 secretary after consultation with the Iowa state dairy
12 association but not later than six months after the date that
13 the special referendum or referendum establishing a national
14 assessment was conducted. If a special referendum or special
15 question to increase the rate of the state assessment for clean
16 water does not pass, the result of the vote shall not affect
17 the existence or length of the period when the state assessment
18 is in effect.

19 4. *a.* If a state assessment for direct use is imposed,
20 and upon receipt of a petition of producers that otherwise
21 complies with requirements to conduct a special referendum
22 under section 179.13, subsection 2, the secretary shall conduct
23 a special referendum to determine whether to terminate the
24 state assessment for clean water.

25 *b.* Upon receipt of a petition of producers that otherwise
26 complies with requirements to conduct a special referendum
27 under section 179.13, subsection 2, the secretary shall include
28 as part of a special referendum to suspend or terminate the
29 state assessment for direct use conducted pursuant to section
30 179.13, subsection 2, a separate special question whether
31 to terminate the state assessment for clean water, if the
32 secretary determines the inclusion of the special question is
33 cost-effective or the petition demands inclusion.

34 *c.* The secretary shall conduct the special referendum under
35 this subsection or include the special question as part of a

1 special referendum conducted under section 179.13, subsection
 2 2, in consultation with the commission and which may be based
 3 on the same procedures for conducting a special referendum
 4 under section 179.13, subsection 2.

5 *d.* If the secretary determines that the termination of
 6 a state assessment for clean water is favored by a majority
 7 of the producers voting in a special referendum under this
 8 subsection, or a special referendum conducted under section
 9 179.13, subsection 2, the state assessment shall terminate on a
 10 date determined by the secretary after consultation with the
 11 commission but not later than six months after the date that
 12 the special or initial referendum was conducted. The secretary
 13 shall terminate the state assessment in an orderly manner as
 14 soon as practical.

15 5. The secretary shall terminate the state assessment for
 16 clean water upon determining that the state assessment for
 17 direct use and the national assessment are terminated. The
 18 secretary shall terminate the state assessment for clean water
 19 in an orderly manner as soon as practical.

20 DIVISION II

21 IOWA BEEF CATTLE PRODUCERS ASSOCIATION — EXECUTIVE COMMITTEE

22 Sec. 13. Section 181.1, subsection 10, Code 2017, is amended
 23 to read as follows:

24 10. "*State assessment*" means an excise tax on the sale of
 25 cattle imposed pursuant to this chapter which may include a
 26 state assessment for direct use and a state assessment for
 27 clean water.

28 Sec. 14. Section 181.2, Code 2017, is amended by adding the
 29 following new subsection:

30 NEW SUBSECTION. 5. Cooperate with the division of soil
 31 conservation and water quality of the department of agriculture
 32 and land stewardship in transferring moneys collected from
 33 the state assessment for clean water to the clean water
 34 fund created in section 466B.51 and for being reimbursed for
 35 reasonable expenses incurred in conducting an initial or

1 special referendum to establish, continue, or terminate a state
2 assessment for clean water.

3 Sec. 15. Section 181.7A, Code 2017, is amended to read as
4 follows:

5 **181.7A Commencement of federal assessment — suspension and**
6 **recommencement of state assessment — rate.**

7 1. Prior to the commencement of the collection of
8 the federal assessment, the executive committee may seek
9 certification as a qualified state beef council within the
10 meaning of the federal Act.

11 2. The executive committee shall suspend the state
12 assessment for direct use upon collection of the federal
13 assessment. The state assessment for direct use shall
14 recommence upon the earlier of the following:

15 a. The noncollection of the federal assessment. The
16 recommenced state assessment for direct use shall be imposed
17 for a four-year period. Its effective date shall be the first
18 date for which the federal assessment is not collected.

19 b. The passage of a special referendum pursuant to section
20 181.19 regardless of whether a federal assessment is being
21 collected.

22 3. The rate of the recommenced state assessment shall be the
23 same as the rate that was last in effect under [section 181.19](#)
24 immediately prior to the suspension of the state assessment.

25 4. The state assessment for clean water shall continue to be
26 imposed during any period of suspension of the state assessment
27 for direct use so long as the state assessment for clean water
28 is not terminated pursuant to section 181.19A.

29 Sec. 16. Section 181.8, Code 2017, is amended to read as
30 follows:

31 **181.8 Executive committee — entering premises — examining**
32 **records.**

33 The executive committee may authorize its agents to enter
34 at a reasonable time upon the premises of any purchaser
35 charged by [this chapter](#) with remitting ~~the~~ a state assessment

1 for direct use or a state assessment for clean water to the
 2 executive committee, and to. The agents may examine records
 3 and other instruments relating to the collection of ~~the~~ a state
 4 assessment. However, the executive committee must first have
 5 reasonable grounds to believe that ~~the~~ a state assessment has
 6 not been remitted or fully accounted for.

7 Sec. 17. Section 181.11, Code 2017, is amended to read as
 8 follows:

9 **181.11 Collection of state ~~assessment~~ assessments.**

10 1. A state assessment for direct use or a state assessment
 11 for clean water imposed as provided in this chapter shall be
 12 levied and collected from the purchaser on each sale of cattle
 13 at a rate provided in this chapter. The state assessment for
 14 direct use or a state assessment for clean water shall be
 15 imposed on any person selling cattle and shall be deducted
 16 by the purchaser from the price paid to the seller. The
 17 purchaser, at the time of the sale, shall make and deliver to
 18 the seller a separate invoice for each sale showing the names
 19 and addresses of the seller and the purchaser, the number of
 20 cattle sold, and the date of sale. The purchaser shall forward
 21 the state assessment for direct use and any state assessment
 22 for clean water to the executive committee at a time prescribed
 23 by the executive committee, but not later than the last day of
 24 the month following the end of the prior reporting period in
 25 which the cattle are sold.

26 2. The executive committee may enter into arrangements with
 27 persons purchasing cattle outside of this state for remitting
 28 the state assessment for direct use and any state assessment
 29 for clean water by such purchasers.

30 Sec. 18. Section 181.12, Code 2017, is amended to read as
 31 follows:

32 **181.12 Remission of state ~~assessment~~ assessments on**
 33 **application.**

34 1. a. A person from whom a state assessment for direct
 35 use is collected may, by written application filed with the

1 executive committee within ninety days after its collection,
2 have the amount remitted to the person by the executive
3 committee.

4 b. A person from whom a state assessment for clean water is
5 collected may, by written application filed with the council
6 as provided in paragraph "a", have the amount remitted to the
7 person by the division of soil conservation and water quality
8 of the department of agriculture and land stewardship. Within
9 sixty days after its collection, the council shall transmit any
10 approved application to the division for a refund payment.

11 2. The information that the a state assessment described
12 in subsection 1 is refundable and the address of the executive
13 committee to which application for a refund may be made shall
14 appear on the invoice of sale form supplied by the purchaser to
15 the producer near the area on the form which shows the amount
16 of the state assessment paid.

17 3. a. The executive committee shall furnish uniform
18 application for refund forms and make the refund forms readily
19 available to all producers.

20 b. The form shall allow the applicant to elect whether the
21 refund is for the state assessment for direct use or the state
22 assessment for clean water or both. The council shall not
23 approve an application unless the application indicates the
24 election. A purchaser charged by this chapter with remitting
25 the a state assessment shall make the forms readily available
26 to all producers.

27 Sec. 19. Section 181.13, Code 2017, is amended to read as
28 follows:

29 **181.13 Administration of moneys originating from state**
30 **~~assessment~~ assessments — appropriation.**

31 1. a. All moneys, other than moneys from the state
32 ~~assessments~~ assessment for clean water imposed under this
33 chapter shall be paid to and collected by the executive
34 committee and deposited with the treasurer of state in a
35 separate cattle promotion fund which shall be created by the

1 treasurer of state. The department of administrative services
 2 shall transfer moneys from the fund to the executive committee
 3 for deposit into an account established by the executive
 4 committee in a qualified financial institution. The department
 5 shall transfer the moneys as provided in a resolution adopted
 6 by the executive committee. However, the department is only
 7 required to transfer moneys once during each day and only
 8 during hours when the offices of the state are open. From
 9 ~~the moneys, other than moneys from the state assessment for~~
 10 clean water, collected, deposited, and transferred to the
 11 executive committee, in accordance with the provisions of this
 12 chapter, the executive committee shall first pay the costs
 13 of referendums held pursuant to [this chapter](#), the costs of
 14 collection of such state assessments, and the expenses of its
 15 agents. At least ten percent of the remaining moneys shall
 16 be remitted to the association in proportions determined by
 17 the executive committee, for use in a manner not inconsistent
 18 with [section 181.7](#). The remaining moneys, with approval of a
 19 majority of the executive committee, shall be expended as the
 20 executive committee finds necessary to carry out the provisions
 21 and purposes of [this chapter](#). However, in no event shall the
 22 total expenses exceed the total amount transferred from the
 23 fund for use by the executive committee.

24 ~~2.~~ b. All moneys deposited in the cattle promotion fund and
 25 transferred to the executive committee pursuant to [this section](#)
 26 are appropriated and shall be used for the administration
 27 of [this chapter](#) and for the payment of claims based upon
 28 obligations incurred in the performance of activities and
 29 functions set forth in [this chapter](#).

30 ~~3.~~ c. If the state assessment for direct use is suspended
 31 as provided in [section 181.7A](#) or a continuance special
 32 referendum to continue the state assessment for clean water
 33 fails to pass as provided in [section 181.19A](#), moneys remaining
 34 in the cattle promotion fund and transferred to the executive
 35 committee shall continue to be transferred and expended in

1 accordance with the provisions of this chapter until exhausted.

2 2. a. All moneys collected from the state assessment for
 3 clean water imposed under this chapter shall be paid to and
 4 collected by the executive committee and may be deposited in a
 5 qualified financial institution until transferred to the clean
 6 water fund created in section 466B.51. If the state assessment
 7 for clean water is terminated as provided in section 181.19A,
 8 the remaining moneys collected from that state assessment shall
 9 be immediately transferred to the clean water fund.

10 b. Except as otherwise expressly provided in this chapter,
 11 moneys collected from the state assessment for clean water
 12 shall not be used for any purpose other than to be transferred
 13 to the clean water fund created in section 466B.51.

14 Sec. 20. Section 181.19, Code 2017, is amended to read as
 15 follows:

16 **181.19 Initial and special referendums.**

17 1. The secretary shall, upon the petition of five hundred
 18 producers, conduct an initial referendum to determine whether
 19 a state assessment for direct use is to be established. If
 20 established, the state assessment for direct use shall be
 21 imposed, at a rate established by the executive committee
 22 not to exceed one dollar per head on all cattle sold for any
 23 purpose.

24 2. The secretary shall, upon the petition of five hundred
 25 producers, conduct a special referendum to do any of the
 26 following:

27 a. Determine whether a state assessment for direct use
 28 already imposed shall be increased to a rate, established by
 29 the executive committee, not to exceed one dollar per head on
 30 all cattle sold for any purpose.

31 b. Determine whether a state assessment for direct use
 32 suspended pursuant to section 181.7A is to be in addition to a
 33 federal assessment. The state assessment for direct use shall
 34 be imposed at a rate not to exceed one dollar per head on all
 35 cattle sold for whatever purpose.

1 3. a. Upon receipt of a petition that otherwise complies
 2 with the requirements of subsection 1, the secretary shall
 3 conduct a special referendum to establish a state assessment
 4 for clean water to be imposed in the same manner as a state
 5 assessment for direct use.

6 b. The rate of the state assessment for clean water shall
 7 be established by the executive committee not to exceed the
 8 rate of the state assessment for direct use in effect on the
 9 date that the special referendum to impose a state assessment
 10 for clean water passes. However, if a federal assessment is
 11 imposed, the rate of the state assessment for clean water shall
 12 be established by the executive committee not to exceed the
 13 rate of the federal assessment. If a state assessment for
 14 direct use and a federal assessment are both being imposed,
 15 the rate of the state assessment for clean water shall be
 16 established by the executive committee not to exceed the rate
 17 of the state assessment for direct use plus the rate of the
 18 federal assessment.

19 4. Upon receipt of a petition that otherwise complies with
 20 the requirements of subsection 1, the secretary shall include
 21 as part of the initial referendum a separate special question
 22 whether to establish a state assessment for clean water as
 23 described in subsection 3, if the secretary determines the
 24 inclusion of the special question is cost-effective or the
 25 petition demands inclusion.

26 5. a. Upon receipt of a petition that otherwise complies
 27 with the requirements of subsection 2, the secretary shall
 28 conduct a special referendum to change the rate of the state
 29 assessment for clean water to be established by the executive
 30 committee not to exceed the rate of the state assessment
 31 for direct use and any federal assessment as described in
 32 subsection 2.

33 b. Upon receipt of a petition that otherwise complies with
 34 the requirements of subsection 2, the secretary shall include
 35 as part of the special referendum conducted under subsection

1 2 a separate special question whether to change the rate of
 2 the state assessment for clean water to be established by
 3 the executive committee not to exceed the rate of the state
 4 assessment for direct use and any federal assessment as
 5 described in subsection 2, if the secretary determines the
 6 inclusion of the special question is cost-effective or the
 7 petition demands inclusion.

8 6. a. If a an initial referendum or a special referendum
 9 described in this section passes, the secretary shall establish
 10 an effective date to commence the state assessment for direct
 11 use or the change in the rate of the state assessment for
 12 direct use. However, the state assessment or the change in the
 13 rate of the state assessment must be commenced within ninety
 14 days from the date that the secretary determines that the
 15 referendum has passed.

16 b. If a state assessment for clean water is established
 17 or the rate of the state assessment for clean water changes
 18 under this section, the secretary shall establish an effective
 19 date to commence the state assessment or change the rate of the
 20 state assessment in the same manner as provided in paragraph
 21 "a".

22 ~~4.~~ 7. a. If a special referendum to increase the rate of
 23 the state assessment for direct use does not pass, the result
 24 of the special referendum shall not affect the existence or
 25 length of the state assessment that is in effect on the date
 26 that the special referendum was conducted.

27 b. If a special referendum, or a separate special question
 28 that is part of a special referendum conducted under this
 29 section, to change the rate of the state assessment for clean
 30 water does not pass, the result of the vote shall not affect
 31 the existence or period that the state assessment is in effect.

32 8. A state assessment for clean water is terminated on the
 33 date that the state assessment for direct use is terminated,
 34 unless a federal assessment is imposed.

35 Sec. 21. Section 181.19A, Code 2017, is amended to read as

1 follows:

2 **181.19A ~~Continuance referendum~~ Special referendums —**
 3 **continuance or termination.**

4 1. The secretary shall, upon the receipt of a petition
 5 of producers, conduct a ~~continuance~~ special referendum to
 6 determine whether a state assessment for direct use established
 7 in section 181.19 should be ~~renewed~~ continued. The secretary
 8 must receive the petition not less than one hundred fifty and
 9 not more than two hundred forty days before the four-year
 10 anniversary of a ~~state assessment's~~ the effective date of
 11 the state assessment for direct use. The petition must be
 12 signed within that period by a number of producers equal to
 13 or greater than two percent of the number of producers in
 14 this state reported in the most recent United States census
 15 of agriculture, requesting a special referendum to determine
 16 whether to continue the state assessment for direct use.
 17 The special referendum shall be conducted not earlier than
 18 thirty days before the four-year anniversary date of the state
 19 assessment for direct use.

20 2. a. The secretary shall, upon receipt of a petition
 21 of producers otherwise complying with the requirements of
 22 subsection 1, conduct a special referendum to determine whether
 23 the state assessment for clean water established in section
 24 181.19 should be continued. The special referendum shall be
 25 conducted in the same manner as a special referendum conducted
 26 under subsection 1.

27 b. The secretary shall, upon receipt of a petition complying
 28 with the requirements of subsection 1, include as part of a
 29 special referendum provided in subsection 1 a separate special
 30 question whether a state assessment for clean water should be
 31 continued, if the secretary determines the inclusion of the
 32 separate special question is cost-effective or the petition
 33 demands inclusion.

34 ~~2.~~ 3. a. If the secretary determines that a ~~continuance~~
 35 special referendum has passed under subsection 1, the state

1 assessment for direct use shall continue in effect for four
 2 additional years from the anniversary of its effective date.

3 b. If the secretary determines that a special referendum
 4 or special question to continue the state assessment for clean
 5 water has passed under subsection 2, the state assessment shall
 6 be in effect until the anniversary of the effective date of the
 7 state assessment for direct use described in paragraph "a".

8 ~~3.~~ 4. a. If the secretary determines that the a special
 9 referendum to continue the state assessment for direct use has
 10 not passed, the secretary and the executive committee shall
 11 terminate the state assessment in an orderly manner as soon as
 12 practicable after the determination.

13 b. If the secretary determines that a special referendum to
 14 continue the state assessment for clean water has not passed,
 15 the secretary and the executive committee shall terminate the
 16 state assessment in the same manner as described in paragraph
 17 "a".

18 c. A state assessment for clean water is terminated on the
 19 date that the state assessment for direct use is terminated,
 20 unless a federal assessment is imposed.

21 ~~5. a. Another~~ If the secretary determines that a special
 22 referendum to continue the state assessment for direct use has
 23 not passed, another initial referendum conducted under section
 24 181.19 to determine whether to establish a state assessment
 25 for direct use shall not be held conducted for at least one
 26 hundred eighty days from the date that the state assessment is
 27 terminated.

28 b. If the secretary determines that a special referendum to
 29 continue the state assessment for clean water has not passed,
 30 another special referendum to establish the state assessment or
 31 another initial or special referendum that includes a separate
 32 special question to establish the state assessment shall not be
 33 conducted for at least one hundred eighty days from the date
 34 that the state assessment was terminated.

35 ~~4.~~ 6. If ~~no~~ a valid petition for a continuance referendum

1 provided in this section is not received by the secretary
 2 within the time period provided in this section, the state
 3 assessment for direct use or the state assessment for clean
 4 water shall continue in effect for four additional years from
 5 the anniversary of its the effective date of the initial
 6 referendum establishing the state assessment for direct use.

7 DIVISION III

8 IOWA SHEEP AND WOOL PROMOTION BOARD

9 Sec. 22. Section 182.1, subsection 1, Code 2017, is amended
 10 to read as follows:

11 1. "Assessment" means an excise tax on the sale of sheep
 12 or wool as provided in this chapter which may include an
 13 assessment for direct use and a state assessment for clean
 14 water.

15 Sec. 23. Section 182.1, Code 2017, is amended by adding the
 16 following new subsection:

17 NEW SUBSECTION. 6A. "*Qualified financial institution*" means
 18 a bank or credit union as defined in section 12C.1.

19 Sec. 24. Section 182.2, Code 2017, is amended to read as
 20 follows:

21 **182.2 Petition for initial referendum election.**

22 Upon receipt of a petition signed by at least fifty producers
 23 in each district requesting a an initial referendum ~~by election~~
 24 to determine whether to establish the board and to impose an
 25 assessment for direct use, the secretary shall call a the
 26 initial referendum to be conducted within sixty days following
 27 receipt of the petition.

28 Sec. 25. Section 182.3, Code 2017, is amended to read as
 29 follows:

30 **182.3 Notice of initial referendum.**

31 The secretary shall give notice of the initial referendum
 32 on the question of whether to establish an Iowa sheep and wool
 33 promotion board and ~~to impose the~~ an assessment for direct use
 34 by publishing the notice for a period of not less than five
 35 days in at least one newspaper of general circulation in the

1 state. The notice shall state the voting places, period of
 2 time for voting, and other information deemed necessary by the
 3 secretary.

4 A An initial referendum shall not be commenced until five
 5 days after the last date of publication.

6 Sec. 26. Section 182.4, Code 2017, is amended to read as
 7 follows:

8 **182.4 Establishment of sheep and wool promotion board —**
 9 **assessment assessments — termination.**

10 1. Each producer who signs a statement certifying that
 11 the producer is a bona fide producer is entitled to one vote
 12 in an initial referendum conducted under this section. At
 13 the close of the initial referendum, the secretary shall
 14 count and tabulate the ballots cast. If a majority of voters
 15 favor establishing an Iowa sheep and wool promotion board and
 16 ~~imposing~~ establishing an assessment for direct use, ~~an Iowa~~
 17 ~~sheep and wool promotion~~ the board and assessment shall be
 18 established. The assessment for direct use shall be imposed
 19 commencing not more than sixty days following the initial
 20 referendum as determined by the ~~Iowa sheep and wool promotion~~
 21 board, and shall continue until the board and assessment for
 22 direct use are terminated by a special referendum ~~as provided~~
 23 ~~in~~ conducted pursuant to subsection 2 4.

24 2. a. If the board is in existence, and upon receipt of
 25 a petition signed by at least twenty-five producers in each
 26 district requesting a special referendum to determine whether
 27 to establish a state assessment for clean water, the secretary
 28 shall call the special referendum to be conducted in the same
 29 manner as provided in subsection 1.

30 b. If a board is not in existence, and upon receipt of a
 31 petition that complies with the requirements of paragraph "a"
 32 the secretary shall include as part of the initial referendum
 33 a separate special question whether to establish a state
 34 assessment for clean water, if the secretary determines the
 35 inclusion of the special question is cost-effective or the

1 petition demands inclusion.

2 c. If a majority of voters favor establishing the state
 3 assessment for clean water, the state assessment shall be
 4 imposed in the same manner and for the same period as the
 5 assessment for direct use described in subsection 1.

6 3. a. If a majority of the voters do not favor establishing
 7 an Iowa sheep and wool promotion a board and imposing the an
 8 assessment for direct use, the board and an assessment shall
 9 not be established, and the assessment shall not be imposed
 10 and the board shall not be established until another initial
 11 referendum is held conducted under this chapter and a majority
 12 of the voters favor establishing a board and imposing the an
 13 assessment. If a an initial referendum fails, another initial
 14 referendum shall not be held within conducted for at least
 15 one hundred eighty days from the date of the last initial
 16 referendum.

17 b. If a majority of the voters do not favor establishing
 18 a state assessment for clean water, the state assessment
 19 shall not be established until another special referendum, or
 20 another separate special question that is part of an initial
 21 referendum, is conducted under this chapter and a majority
 22 of the voters favor establishing the state assessment. If a
 23 special referendum or special question fails, another special
 24 referendum or initial referendum which includes a special
 25 question shall not be conducted within one hundred eighty days
 26 from the date that the last such special referendum or initial
 27 referendum was conducted.

28 2- 4. Upon receipt of a petition signed by at least
 29 twenty-five producers in each district requesting a special
 30 referendum election to determine whether to terminate the
 31 establishment of the Iowa sheep and wool promotion board and
 32 to terminate the imposition of the and the assessment for
 33 direct use, the secretary shall call a special referendum to
 34 be conducted within sixty days following the receipt of the
 35 petition. The petitioners shall guarantee the payment of the

1 costs of a the special referendum held conducted under this
2 subsection. If the majority of the voters ~~of a~~ voting at the
3 special referendum do not favor termination, an additional
4 special referendum may be ~~held~~ conducted when the secretary
5 receives a petition signed by at least twenty-five producers in
6 each district. However, the additional referendum shall not be
7 ~~held within~~ conducted for at least one hundred eighty days from
8 the date of the last such special referendum.

9 5. a. Upon receipt of a petition that otherwise complies
10 with the requirements of subsection 4 requesting a special
11 referendum election to determine whether to terminate the
12 establishment of the state assessment for clean water, the
13 secretary shall call a special referendum to be conducted in
14 the same manner as provided in subsection 4.

15 b. Upon receipt of a petition that otherwise complies
16 with the requirements of subsection 4, the secretary shall
17 include as part of the special referendum conducted under that
18 subsection a separate special question whether to terminate the
19 state assessment for clean water, if the secretary determines
20 the inclusion of the special question is cost-effective or the
21 petition demands inclusion.

22 c. The petitioners shall guarantee the payment of the costs
23 of the special referendum conducted under this subsection.

24 d. If the majority of the voters of a special referendum
25 conducted under this subsection do not favor termination,
26 an additional special referendum may be conducted when
27 the secretary receives a petition complying with the same
28 requirements as described in this subsection. However, the
29 additional special referendum shall not be conducted for at
30 least one hundred eighty days from the date of the last such
31 special referendum.

32 6. A state assessment for clean water is terminated on the
33 date that the assessment for direct use is terminated. The
34 secretary shall terminate the state assessment in an orderly
35 manner as soon as practical.

1 Sec. 27. Section 182.11, Code 2017, is amended to read as
2 follows:

3 **182.11 Purposes of board.**

4 1. The purposes of the board shall be to:

5 ~~1.~~ a. Enter into contracts or agreements with or make
6 grants to recognized and qualified agencies, individuals,
7 or organizations for the development and carrying out of
8 research and education programs directed toward better and more
9 efficient production, marketing, and utilization of sheep and
10 wool and their products.

11 ~~2.~~ b. Provide methods and means, including, but not limited
12 to, public relations and other promotion techniques for the
13 maintenance of present markets.

14 ~~3.~~ c. Assist in development of new or larger markets, both
15 domestic and foreign, for sheep and wool and their products.

16 2. The board shall cooperate with the division of soil
17 conservation and water quality of the department of agriculture
18 and land stewardship in doing all of the following:

19 a. Transferring moneys collected from the state assessment
20 for clean water to the clean water fund created in section
21 466B.51.

22 b. Being reimbursed for reasonable expenses incurred in
23 conducting an initial or special referendum to establish,
24 continue, or terminate a state assessment for clean water.

25 Sec. 28. Section 182.13, Code 2017, is amended to read as
26 follows:

27 **182.13 Compensation — meetings.**

28 Members of the board may receive payment for their actual
29 expenses and travel in performing official board functions.

30 Payment shall be made from amounts collected from the
31 assessment for direct use. ~~No~~ A member of the board shall not

32 be a salaried employee of the board or any organization or
33 agency receiving ~~funds~~ moneys collected from the board. The
34 board shall meet at least once every three months, and at other
35 times it deems necessary.

1 Sec. 29. Section 182.13B, Code 2017, is amended to read as
2 follows:

3 **182.13B Assessment rate rates.**

4 1. a. If a majority of voters voting at a an initial
5 referendum conducted pursuant to section 182.4 approve the
6 establishment of ~~an Iowa sheep and wool promotion~~ the board and
7 ~~the imposition of~~ an assessment for direct use, the assessment
8 shall be imposed on wool and sheep at the following rates:

9 ~~a.~~ (1) For wool, two cents imposed on each pound of wool
10 sold by a producer.

11 ~~b.~~ (2) For sheep, ten cents imposed on each head of sheep
12 sold by a producer.

13 b. If a majority of voters voting at a special referendum
14 conducted pursuant to section 182.4 approve the establishment
15 of a state assessment for clean water, the state assessment
16 shall be imposed on wool and sheep at the rates established by
17 board resolution not to exceed the rates described in paragraph
18 "a".

19 2. a. Notwithstanding subsection 1, upon a resolution
20 adopted by the board, the secretary shall call a special
21 referendum for voters to authorize increasing the ~~assessment~~
22 rate of the assessment for direct use imposed on sheep as
23 provided in this section or increasing the assessment for
24 direct use imposed on sheep as provided in this section.

25 b. Notwithstanding subsection 1, upon a resolution adopted
26 by the board, the secretary shall call a special referendum for
27 voters to authorize increasing the rate of the state assessment
28 for clean water imposed on sheep as provided in this section.
29 The secretary shall include as part of the special referendum
30 to increase the rate of the assessment for direct use a
31 separate special question whether to increase the rate of the
32 state assessment for clean water, if the secretary determines
33 the inclusion of the special question is cost-effective or the
34 resolution demands inclusion.

35 ~~b.~~ c. The special referendum to increase the rate of the

1 assessment for direct use or to increase the rate of the state
 2 assessment for clean water shall be conducted in the same
 3 manner as a an initial referendum conducted upon receipt of
 4 a petition as provided in ~~this chapter~~ section 182.4, unless
 5 otherwise provided in the board's resolution. Only producers
 6 are eligible to vote in ~~an election~~ the special referendum and
 7 each producer is entitled to one vote.

8 3. a. The special referendum to increase the rate of the
 9 assessment for direct use conducted pursuant to subsection 2
 10 shall allow a voter to cast a ballot for the following two
 11 questions:

12 ~~a.~~ (1) For the first question, whether to authorize an
 13 increase in the rate of assessment ~~rate for direct use~~ to
 14 twenty-five cents imposed on each head of sheep.

15 ~~b.~~ (2) For the second question, if the first question is
 16 approved by a majority of voters, whether to also authorize the
 17 board to increase ~~that assessment~~ the rate of the assessment
 18 for direct use by future resolution as provided in this
 19 section.

20 b. The special referendum to increase the rate of the state
 21 assessment for clean water shall be conducted in the same
 22 manner as described in subsection 3 and shall allow a voter to
 23 cast a ballot for the following two questions:

24 (1) For the first question, whether to authorize an increase
 25 in the rate of state assessment for clean water to a rate
 26 established by board resolution not to exceed the increased
 27 rate of assessment for direct use described in subsection 3,
 28 paragraph "a", subparagraph (1).

29 (2) For the second question, if the first question is
 30 approved by a majority of voters, whether to also authorize the
 31 board to increase that rate of state assessment for clean water
 32 by future resolution as provided in subsection 3, paragraph "a",
 33 subparagraph (2).

34 c. A state assessment for clean water shall not be effective
 35 if the state assessment exceeds the assessment for direct use.

1 4. a. If a majority of voters approve the first question to
 2 increase the rate of the assessment for direct use as described
 3 in subsection 3, paragraph "a", subparagraph (1), twenty-five
 4 cents shall be imposed on each head of sheep sold by a producer
 5 as effectuated by the board pursuant to [section 182.12](#).

6 b. If a majority of voters also approve increasing the
 7 rate of the state assessment for clean water as described in
 8 subsection 3, paragraph "b", subparagraph (1), the increased
 9 rate shall be imposed on each head of sheep sold by a producer
 10 as effectuated by the board pursuant to section 182.12.

11 5. a. If a majority of voters approve both the first and
 12 second questions to increase the rate of the assessment for
 13 direct use under subsection 3, paragraph "a", subparagraphs (1)
 14 and (2), all of the following apply:

15 ~~a.~~ (1) ~~Twenty-five~~ The rate of the assessment for direct use
 16 shall equal twenty-five cents shall be imposed on each head of
 17 sheep sold by a producer as effectuated by the board pursuant
 18 to [section 182.12](#).

19 ~~b.~~ (2) The board may adopt one or more resolutions to
 20 further impose an increased rate of assessment rate for direct
 21 use.

22 b. If a majority of voters also approve increasing the
 23 rate of state assessment for clean water as described in
 24 subsection 3, paragraph "b", subparagraphs (1) and (2), all of
 25 the following shall apply:

26 (1) The rate of the state assessment for clean water shall
 27 equal the increase described in subsection 3, paragraph "b",
 28 subparagraph (1), imposed on each head of sheep sold by a
 29 producer.

30 (2) The board may adopt one or more resolutions to further
 31 impose an increased rate of state assessment for clean water
 32 so long as the rate does not exceed the rate of the assessment
 33 for direct use.

34 c. The increased ~~assessment~~ rate of the assessment for
 35 direct use or the increased rate of the state assessment for

1 clean water shall be imposed on each head of sheep sold by
 2 a producer as effectuated by the board pursuant to section
 3 182.12. The board shall comply with all of the following:

4 (1) The board must wait three or more years from the
 5 effective date of the previous action imposing an increase in
 6 the rate of the assessment for direct use in order to adopt
 7 a resolution. For the first increase, the effective date is
 8 the date of the special referendum to increase the rate of
 9 the assessment. For any subsequent increase in the rate of
 10 assessment, the effective date is the date that the board last
 11 adopted a resolution imposing an increased rate as provided in
 12 this paragraph ~~"b"~~ subsection.

13 (2) The board must wait three or more years from the
 14 effective date of the previous action imposing an increase in
 15 the rate of the state assessment for clean water in order to
 16 adopt a resolution. For the first increase, the effective date
 17 is the date of the special referendum to increase the rate
 18 of the state assessment for clean water. For any subsequent
 19 increase, the effective date is the date that the board last
 20 adopted a resolution imposing an increased rate as provided in
 21 this subsection.

22 ~~{2}~~ (3) The board shall not adopt a resolution until it
 23 provides notice to producers of the proposed increase in the
 24 assessment for direct use or the state assessment for clean
 25 water and an opportunity for producers to submit written or
 26 oral comments to the board regarding the proposed increase.
 27 The board may provide notice by publication in the same manner
 28 as provided in [section 182.3](#), publication on its internet
 29 site, mail bearing a United States postal service postmark,
 30 electronic transmission, or hand-delivery.

31 ~~{3}~~ (4) (a) ~~The An~~ An increase in the assessment rate of the
 32 assessment for direct use imposed by a resolution adopted by
 33 the board ~~must~~ shall equal five cents. However, the ~~assessment~~
 34 rate of the assessment for direct use imposed by a resolution
 35 of the board shall not equal more than fifty cents.

1 **(b)** An increase in the rate of the state assessment for
 2 clean water imposed by resolution adopted by the board shall
 3 equal five cents. However, the rate of the state assessment
 4 for clean water imposed by resolution of the board shall not
 5 equal more than fifty cents.

6 6. *a.* If a majority of voters do not authorize increasing
 7 the rate of the assessment rate for direct use pursuant to a
 8 special referendum conducted ~~pursuant to~~ under this section,
 9 the ~~assessment rate for the assessment for direct use~~ shall be
 10 the same as provided in subsection 1, paragraph "a".

11 *b.* If a majority of voters do not authorize increasing the
 12 rate of the assessment for direct use pursuant to a special
 13 referendum conducted under this section, the rate for the state
 14 assessment for clean water shall be the same as provided in
 15 subsection 1, paragraph "b".

16 ~~b.~~ 7. Not more than one special referendum to establish an
 17 assessment for direct use or to establish a state assessment
 18 for clean water shall be conducted pursuant to this section.

19 Sec. 30. Section 182.14, Code 2017, is amended to read as
 20 follows:

21 **182.14 ~~Assessment~~ Assessments.**

22 1. An assessment for direct use or a state assessment for
 23 clean water provided in this chapter shall be imposed on the
 24 producer as follows:

25 *a.* If the producer sells wool or sheep to the first
 26 purchaser within this state, the following shall apply:

27 (1) If the sale occurs at a concentration point, the
 28 assessment shall be imposed at the time of delivery. The first
 29 purchaser shall deduct the assessment or state assessment from
 30 the price paid to the producer at the time of sale.

31 (2) If the sale does not occur at a concentration point,
 32 the producer shall deduct the assessment or state assessment
 33 from the amount received from the sale and shall forward the
 34 amount deducted to the board within thirty days following each
 35 calendar quarter.

1 *b.* If the producer sells, ships, or otherwise disposes of
 2 wool or sheep to any person outside this state, the producer
 3 shall deduct the assessment or state assessment from the amount
 4 received from the sale and shall forward the amount deducted
 5 to the board.

6 2. The assessment for direct use or the state assessment
 7 for clean water imposed by *this section* shall be remitted to
 8 the board not later than thirty days following each calendar
 9 quarter during which the assessment amount or state assessment
 10 amount was deducted.

11 Sec. 31. Section 182.15, subsection 1, paragraph e, Code
 12 2017, is amended to read as follows:

13 *e.* The rate of withholding and the total amount of the
 14 assessment for direct use and the state assessment for
 15 clean water withheld. The board may require the invoice to
 16 separately indicate the amount withheld for the assessment for
 17 direct use and the state assessment for clean water.

18 Sec. 32. Section 182.16, Code 2017, is amended to read as
 19 follows:

20 182.16 ~~Deposit and disbursement~~ Administration of funds
 21 moneys.

22 1. The board shall deposit ~~amounts~~ moneys collected from the
 23 assessment for direct use imposed pursuant to *section 182.14* in
 24 an account established pursuant to *section 182.12*. Expenses
 25 and disbursements incurred and made pursuant to *this chapter*
 26 shall be made by voucher, draft, or check bearing the signature
 27 of a person designated by majority vote of the board.

28 2. *a.* The board may deposit moneys collected from the state
 29 assessment for clean water in a qualified financial institution
 30 until transferred to the clean water fund created in section
 31 466B.51.

32 *b.* If the state assessment for clean water is terminated as
 33 provided in section 182.4, the remaining moneys collected from
 34 that state assessment shall be immediately transferred to the
 35 clean water fund.

1 Sec. 33. Section 182.17, Code 2017, is amended to read as
2 follows:

3 **182.17 Refunds.**

4 1. a. A producer who has paid the assessment for direct use
5 may, by application in writing to the board, secure a refund of
6 all or part of the amount paid to the board.

7 b. A producer who has paid the state assessment for clean
8 water to the board may, by application in writing to the board,
9 secure a refund of all or part of the amount paid to the board.
10 The board shall transmit any approved application for a refund
11 to the division of soil conservation and water quality of the
12 department of agriculture and land stewardship for payment.

13 2. The refund shall be payable only when the application has
14 been made to the board within sixty days after the deduction
15 has been made by the producer or within sixty days after the
16 remittance has been made by the first purchaser.

17 3. Each application for refund by a producer shall have
18 an attached proof indicating that the assessment for direct
19 use was paid. If a state assessment for clean water is
20 imposed, the attached proof shall also indicate that the state
21 assessment has also been paid. The attached proof of the
22 assessment paid may be in the form of a duplicate or certified
23 copy of the purchase invoice by the purchaser.

24 4. The application shall allow the applicant to elect
25 whether the refund is for the assessment for direct use or the
26 state assessment for clean water or both. The board shall not
27 approve an application unless the application indicates the
28 election.

29 Sec. 34. Section 182.18, Code 2017, is amended to read as
30 follows:

31 **182.18 Use of moneys.**

32 1. Moneys from the assessment for direct use collected
33 under this chapter are subject to audit by the auditor of state
34 and shall be used by the Iowa sheep and wool promotion board
35 first for the payment of collection and refund expenses, second

1 for payment of the costs and expenses arising in connection
 2 with conducting referendums, third for the purposes identified
 3 in [section 182.11](#), and fourth for the cost of audits for
 4 the auditor of state. Moneys of the board remaining after
 5 a special referendum is held at which a majority of the
 6 voters favor termination of the board and the assessment for
 7 direct use shall continue to be expended in accordance with
 8 this chapter until exhausted. The auditor of state may seek
 9 reimbursement for the cost of the audit.

10 2. Except as expressly provided in this chapter, moneys
 11 collected by the board from the state assessment for clean
 12 water shall not be used for any purpose other than to be
 13 transferred to the clean water fund created in section 466B.51.

14 ~~2.~~ 3. The board shall not engage in any political activity,
 15 and it shall be a condition of any allocation of funds that
 16 any organization receiving funds shall not expend the funds on
 17 political activity or on any attempt to influence legislation.

18 Sec. 35. Section 182.22, Code 2017, is amended to read as
 19 follows:

20 **182.22 Purchasers outside Iowa.**

21 The secretary may enter into arrangements with first
 22 purchasers from outside Iowa for payment of the assessment for
 23 direct use and the state assessment for clean water.

24 DIVISION IV

25 IOWA PORK PRODUCERS COUNCIL

26 IOWA PORK PRODUCERS ASSOCIATION

27 Sec. 36. Section 183A.1, subsection 1, Code 2017, is amended
 28 to read as follows:

29 1. "*Assessment*" means an excise tax on the sale of porcine
 30 animals ~~as provided in [this chapter](#)~~ which may include an
 31 assessment for direct use and a state assessment for clean
 32 water.

33 Sec. 37. Section 183A.1, Code 2017, is amended by adding the
 34 following new subsection:

35 NEW SUBSECTION. 4A. "*National assessment*" means an excise

1 tax on the sale of porcine animals imposed pursuant to the Pork
2 Promotion Act.

3 Sec. 38. Section 183A.1, subsection 7, Code 2017, is amended
4 to read as follows:

5 7. "*Pork Promotion Act*" means the federal Pork Promotion,
6 Research, and Consumer Information Act of 1985, 7 U.S.C. §4801
7 et seq.

8 Sec. 39. Section 183A.5, subsection 1, paragraph i, Code
9 2017, is amended to read as follows:

10 i. Receive, administer, disburse and account for, in
11 addition to the ~~funds~~ moneys received from the assessment for
12 direct use and the state assessment for clean water provided in
13 this chapter, other ~~funds~~ moneys voluntarily contributed to the
14 council for the purpose of promoting the pork industry.

15 Sec. 40. Section 183A.5, Code 2017, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 4. The council shall cooperate with
18 the division of soil conservation and water quality of the
19 department of agriculture and land stewardship in doing all of
20 the following:

21 a. Transferring moneys collected from the state assessment
22 imposed as a result of a special referendum conducted pursuant
23 to section 183A.9 to the clean water fund created in section
24 466B.51.

25 b. Being reimbursed for reasonable expenses incurred in
26 conducting an initial or special referendum to establish,
27 continue, or terminate a state assessment for clean water.

28 Sec. 41. Section 183A.6, Code 2017, is amended to read as
29 follows:

30 **183A.6 ~~Assessment~~ Assessments.**

31 1. The council shall ~~make~~ impose an assessment for direct
32 use of not less than point zero zero two nor more than point
33 zero zero three of the gross sale price of all porcine animals.
34 The assessment for direct use shall be point zero zero two five
35 of the gross sale price of porcine animals until consent to

1 an assessment has been given through the initial referendum
 2 referred to in [this chapter](#). After approval of the initial
 3 referendum, the rate of assessment for direct use shall be
 4 ~~determined~~ established by the council.

5 2. a. If an assessment for direct use is imposed under
 6 subsection 1, the council shall impose a state assessment for
 7 clean water if approved at a special referendum conducted
 8 pursuant to section 183A.9.

9 b. If a national assessment is imposed under section
 10 183A.9A, the Iowa pork producers association shall impose a
 11 state assessment for clean water if approved at a special
 12 referendum conducted pursuant to section 183A.9.

13 3. a. The assessment for direct use and the state
 14 assessment for clean water shall be made at the time of
 15 delivery of the porcine animals for sale, and shall be deducted
 16 by the first purchaser from the price paid to the seller. The
 17 first purchaser, at the time of sale, shall make and deliver
 18 to the seller an invoice for each purchase showing the names
 19 and addresses of the seller and the first purchaser, the number
 20 and kind of porcine animals sold, the date of sale, and the
 21 assessment for direct use, and any state assessment for clean
 22 water, made on the sale. The council may require the invoice
 23 to separately indicate the amount withheld for the assessment
 24 for direct use and the state assessment for clean water.

25 b. ~~Assessments~~ An assessment for direct use and the state
 26 assessment for clean water shall be paid to the Iowa pork
 27 producers council or its designated agent by first purchasers
 28 at a time prescribed by the council, but not later than the
 29 last day of the month following the month in which the animals
 30 were purchased.

31 4. If a national assessment is imposed pursuant to section
 32 183A.9A, and a state assessment for clean water is imposed
 33 under section 183A.9, the Iowa pork producers association shall
 34 impose and collect the state assessment for clean water in
 35 the same manner as the assessment for direct use set forth in

1 subsection 3. However, the Iowa pork producers association may
 2 impose and collect the state assessment based on procedures for
 3 the national assessment as set forth in the pork promotion Act.
 4 The invoice may correspond to any invoice required by the pork
 5 promotion Act.

6 Sec. 42. Section 183A.7, Code 2017, is amended to read as
 7 follows:

8 **183A.7 Administration of moneys — appropriation.**

9 1. a. ~~Assessments~~ An assessment for direct use imposed
 10 ~~under this chapter~~ pursuant to section 183A.6 and paid to and
 11 collected by the Iowa pork producers council shall be deposited
 12 in the pork promotion fund which is established in the office
 13 of the treasurer of state. The department of administrative
 14 services shall transfer moneys from the pork promotion fund
 15 to the council for deposit into an account established by the
 16 council in a qualified financial institution. The department
 17 shall transfer the moneys as provided in a resolution adopted
 18 by the council. However, the department is only required to
 19 transfer moneys once during each day and only during hours when
 20 the offices of the state are open.

21 2. b. All moneys deposited in the pork promotion fund and
 22 transferred to the council as provided in this section are
 23 appropriated and shall be used for the administration of this
 24 chapter and for the payment of claims based upon obligations
 25 incurred in the performance of activities and functions set
 26 forth in this chapter.

27 3. c. From the moneys collected, deposited, and transferred
 28 to the council as provided in this chapter, the council shall
 29 first pay the costs of referendums held pursuant to this
 30 chapter. Of the moneys remaining, at least twenty-five percent
 31 shall be remitted to the national pork producers council and
 32 at least fifteen percent shall be remitted to the Iowa pork
 33 producers association, in the proportion the ~~committee~~ council
 34 determines, for use by recipients in a manner not inconsistent
 35 with market development as defined in section 183A.1. Moneys

1 remaining shall be spent as found necessary by the council to
 2 further carry out the provisions and purposes of this chapter.

3 ~~4. d. However, in~~ In no event shall the total expenses
 4 exceed the total amount of moneys transferred from the pork
 5 promotion fund for use by the council.

6 2. a. Moneys collected from a state assessment for clean
 7 water by the council may be deposited in a qualified financial
 8 institution and shall be transferred to the clean water fund
 9 created in section 466B.51.

10 b. If a national assessment is imposed pursuant to section
 11 183A.9A, moneys from the state assessment for clean water
 12 collected by the Iowa pork producers association shall be
 13 transferred to the clean water fund created in section 466B.51.

14 c. The Iowa pork producers association shall maintain
 15 separate accounts for moneys collected from the national
 16 assessment and the state assessment for clean water.

17 d. The Iowa pork producers association shall adopt rules
 18 as necessary to administer this subsection and other sections
 19 in this chapter which directly or indirectly relate to this
 20 subsection.

21 Sec. 43. Section 183A.8, Code 2017, is amended to read as
 22 follows:

23 **183A.8 Refund of ~~assessment~~ assessments.**

24 1. A producer from whom the an assessment for direct use or
 25 a state assessment for clean water has been deducted, upon is
 26 entitled to receive a refund upon filing a written application
 27 filed with the council within thirty days after its collection,
 28 shall have that amount refunded by the council.

29 2. a. Application If an assessment for direct use or
 30 an assessment for direct use and any state assessment for
 31 clean water are imposed, application forms shall be given by
 32 the council to each first purchaser when requested and the
 33 first purchaser shall make the applications available to any
 34 producer.

35 b. Each application for a refund by a producer shall have

1 attached a proof of assessment for direct use deducted. If
 2 the assessment for direct use and state assessment for clean
 3 water are imposed, the attached proof shall indicate the amount
 4 of the assessment and the amount of the state assessment
 5 deducted. The proof of the assessment for direct use and any
 6 state assessment for clean water deducted shall be in the form
 7 of the original or a copy of the purchase invoice by the first
 8 purchaser. The application shall allow the applicant to elect
 9 whether the refund is for the assessment for direct use or the
 10 state assessment for clean water or both. The council shall
 11 not approve an application unless the application indicates the
 12 election.

13 3. The council shall have ~~no~~ not more than thirty days from
 14 the date the application for a refund is received to ~~remit~~ do
 15 all of the following:

16 a. Remit the amount of the refund of an assessment for
 17 direct use to the producer.

18 b. Submit an approved application for the refund of a state
 19 assessment for clean water to the division of soil conservation
 20 and water quality of the department of agriculture and land
 21 stewardship which shall remit the amount of the refund to the
 22 producer.

23 4. If a national assessment is established pursuant to
 24 section 183A.9A and a state assessment for clean water is
 25 established pursuant to section 183A.9, the producer shall file
 26 a written application with the Iowa pork producers association
 27 in lieu of the council in the same manner as provided in
 28 subsection 1 and the Iowa pork producers association shall
 29 make applications available to first purchasers as provided in
 30 subsection 2. However, the Iowa pork producers association
 31 may provide for filing applications for a refund based on any
 32 applicable procedures set forth in the Pork Promotion Act. In
 33 any case, the Iowa pork producers association must transfer
 34 approved applications for refunds to the division of soil
 35 conservation and water quality of the department of agriculture

1 and land stewardship for payment to producers in the same
2 manner as described in subsection 3.

3 Sec. 44. Section 183A.9, Code 2017, is amended to read as
4 follows:

5 **183A.9 Referendum Initial and special referendums —**
6 **assessments.**

7 1. At a time designated by the council within eighteen
8 months after the termination of the collection of ~~assessments~~
9 the national assessment imposed under the Pork Promotion Act,
10 the secretary shall conduct an initial referendum under to
11 establish an Iowa pork producers council and an assessment for
12 direct use. The referendum shall be conducted according to
13 administrative procedures prescribed adopted by the department
14 of agriculture and land stewardship.

15 2. If an assessment for direct use is established and upon
16 receipt of a request of ten percent or more of the number
17 of producers eligible to vote, the secretary shall conduct a
18 special referendum to determine whether producers favor the
19 establishment of a state assessment for clean water. The
20 special referendum shall be conducted in the same manner as
21 an initial referendum conducted pursuant to subsection 1.
22 The rate of the state assessment for clean water shall be
23 established by the Iowa pork producers council not to exceed
24 the rate of the assessment for direct use established pursuant
25 to an initial referendum described in section 183A.6.

26 3. Upon receipt of a petition that otherwise complies with
27 the requirements of subsection 2, the secretary may in lieu of
28 conducting a special referendum include as part of the initial
29 referendum a separate special question whether to establish a
30 state assessment for clean water, if the secretary determines
31 it to be cost-effective or the petition demands it.

32 ~~2.~~ 4. Upon signing a statement certifying to the secretary
33 that the person is a bona fide producer as defined in this
34 chapter, each producer is entitled to one vote in each initial
35 or special referendum. The secretary shall determine the

1 qualification of producers under this section.

2 ~~3.~~ 5. The secretary shall count and tabulate the ballots
 3 filed during the initial or special referendum within thirty
 4 days of the close of the referendum. If from the tabulation
 5 the secretary determines that a majority of the total number
 6 of producers voting in the initial referendum favors the
 7 establishment of the assessment for direct use, the assessment
 8 provided for in the referendum shall be ~~levied~~ imposed. If
 9 from the tabulation the secretary determines that a majority of
 10 the total number of producers voting in the initial or special
 11 referendum favors the establishment of the state assessment
 12 for clean water, the state assessment shall be imposed. The
 13 ballots cast pursuant to this section constitute complete and
 14 conclusive evidence for use in determinations made by the
 15 secretary under this chapter.

16 ~~4.~~ 6. a. The secretary shall ~~hold subsequent referendums~~
 17 conduct a special referendum on request of receipt of a
 18 petition signed by ten percent or more of the number of
 19 producers eligible to vote, to determine whether the producers
 20 favor the termination or any of the following:
 21 (1) The suspension of the assessment for direct use.
 22 (2) The termination of the assessment for direct use and the
 23 state assessment for clean water, if established.

24 b. The secretary shall suspend or terminate ~~collection~~
 25 ~~of the assessment~~ for direct use within six months after the
 26 secretary determines that suspension or termination of the
 27 assessment for direct use is favored by a majority of the
 28 producers voting in the special referendum, ~~and~~. The secretary
 29 shall terminate the assessment for direct use in an orderly
 30 manner as soon as practicable after the determination.

31 7. a. The secretary shall conduct a special referendum on
 32 receipt of a petition of producers otherwise complying with the
 33 requirements in subsection 6 to conduct a special referendum to
 34 terminate the state assessment for clean water.

35 b. Upon receipt of a petition that otherwise complies

1 with the requirements of subsection 6, the secretary shall
 2 include as part of the special referendum conducted under that
 3 subsection a separate special question whether to terminate
 4 the state assessment for clean water, if the secretary
 5 determines the inclusion of the separate special question is
 6 cost-effective or the petition demands inclusion.

7 8. The secretary shall terminate the state assessment for
 8 clean water in the same manner as provided in subsection 6,
 9 upon determining that the council is abolished, the assessment
 10 for direct use is not being collected, and the national
 11 assessment is not being collected.

12 Sec. 45. Section 183A.9A, Code 2017, is amended to read as
 13 follows:

14 **183A.9A Suspension during national order.**

15 1. The terms of all voting members serving on the council on
 16 January 31, 1986, terminate at the time provided in subsection
 17 2.

18 2. a. On the date of the commencement of the collection
 19 of ~~assessments~~ a national assessment under the Pork Promotion
 20 Act, the collection of the ~~assessments~~ assessment for direct
 21 use under section 183A.6 shall be suspended. The council shall
 22 continue to operate after suspension until all refunds are paid
 23 and all ~~funds~~ moneys remaining in the pork promotion fund, less
 24 a reserve for future refunds, are disbursed for the purposes
 25 enumerated in this chapter. Notwithstanding section 183A.7,
 26 the council need not retain a reserve for future referendums.
 27 Upon completion of these acts, the existence of the Iowa pork
 28 producers council is suspended. The secretary of ~~agriculture~~
 29 shall certify the suspension of the council as of a date
 30 certain to the Iowa pork producers council and the Iowa pork
 31 producers association. When the existence of the council is
 32 suspended, the terms of office of council members terminate.

33 b. On the date of the commencement of the collection of
 34 the national assessment under the Pork Promotion Act, the Iowa
 35 pork producers association shall assume collection of the state

1 assessment for clean water under section 183A.9.

2 3. a. If the rate of the national assessment has changed,
 3 and upon receipt of a petition that otherwise complies
 4 with requirements for submitting a petition to suspend or
 5 terminate an assessment for direct use under section 183A.9,
 6 the secretary shall conduct a special referendum to determine
 7 whether to change the rate of the state assessment for
 8 clean water to a rate established by the Iowa pork producers
 9 association not to exceed the rate of the national assessment.

10 b. Upon receipt of a petition that otherwise complies with
 11 requirements for submitting a petition to suspend or terminate
 12 an assessment for direct use under section 183A.9, the
 13 secretary shall include as part of a referendum to change the
 14 rate of the national assessment, a separate special question
 15 whether to change the rate of the state assessment for clean
 16 water not to exceed the change in the national assessment, if
 17 the secretary determines the inclusion of the special question
 18 complies with federal law and either it is cost-effective or
 19 the petition demands inclusion.

20 c. If the national assessment is changed, and the secretary
 21 determines that a change in the state assessment for clean
 22 water is favored by a majority of the producers voting in a
 23 special referendum or separate special question as part of
 24 a referendum to change the rate of the national assessment,
 25 the rate of the state assessment shall be changed on a date
 26 determined by the secretary after consultation with the Iowa
 27 pork producers association but not later than six months
 28 after the date that the special referendum or referendum was
 29 conducted.

30 ~~3.~~ 4. On the date of the termination of the collection of
 31 assessments the national assessment under the Pork Promotion
 32 Act, the period of suspension of the assessments assessment
 33 for direct use under subsection 2 terminates. The secretary
 34 shall collect moneys from the assessments assessment for direct
 35 use under section 183A.6 and the state assessment for clean

1 water under section 183A.9 until this duty can be resumed by
 2 the reactivated council. The secretary shall deposit moneys
 3 collected from the assessment for direct use in the pork
 4 promotion fund. The secretary shall transfer moneys collected
 5 from the state assessment for clean water to the clean water
 6 fund created in section 466B.51.

7 ~~4.~~ 5. On the date of the termination of the collection of
 8 ~~assessments~~ the national assessment under the Pork Promotion
 9 Act, the period of suspension of the council under [subsection 2](#)
 10 terminates. Within sixty days from this date, the secretary
 11 shall appoint voting members to the council. For purposes of
 12 section 183A.3, a voting member so appointed is deemed not to
 13 have served a previous consecutive term. The terms of office
 14 of voting members of the initial reactivated council shall be
 15 determined by lot, but members from the same district shall
 16 not serve the same terms. As nearly as possible one-third of
 17 the voting members shall serve for one year, one-third of the
 18 voting members shall serve for two years, and one-third of the
 19 voting members shall serve for three years. Subsequent voting
 20 members shall be appointed pursuant to [section 183A.2](#).

21 ~~5.~~ 6. The secretary shall call the first meeting of the
 22 reactivated council. Upon reactivation, the council shall
 23 reimburse the secretary for expenses incurred in carrying out
 24 the duties provided in [this section](#).

25 7. The state recognizes the Iowa pork producers association
 26 as a state association under the Pork Promotion Act. For
 27 purposes of this chapter, "association" shall include a
 28 successor state association or other state association that
 29 administers the national assessment in Iowa.

30 8. If a state assessment for clean water is established
 31 or continued pursuant to sections 183A.9 and 183A.9A, the
 32 Iowa pork producers association shall administer the state
 33 assessment for the period that the Pork Promotion Act is in
 34 effect, unless the state assessment is terminated under section
 35 183A.9.

1 9. The Iowa pork producers association shall cooperate with
2 the division of soil conservation and water quality of the
3 department of agriculture and land stewardship in doing all of
4 the following:

5 a. Transferring moneys from the state assessment for clean
6 water to the clean water fund created in section 466B.51.

7 b. Being reimbursed for reasonable expenses incurred in
8 conducting an initial or special referendum to establish,
9 continue, or terminate a state assessment for clean water.

10 DIVISION V

11 IOWA EGG COUNCIL

12 Sec. 46. Section 184.1, subsection 1, Code 2017, is amended
13 to read as follows:

14 1. *"Assessment"* means an excise tax on the sale of eggs as
15 ~~provided in this chapter~~ which may include an assessment for
16 direct use and a state assessment for clean water.

17 Sec. 47. Section 184.2, Code 2017, is amended to read as
18 follows:

19 **184.2 Establishment of Iowa egg council and ~~assessment~~**
20 **assessments.**

21 1. The secretary shall call and the department shall
22 conduct a an initial referendum upon the department's receipt
23 of a petition for direct use which is signed by at least
24 twenty producers requesting a an initial referendum to
25 determine whether to establish an Iowa egg council and to
26 ~~impose~~ establish an assessment for direct use to be imposed as
27 provided in section 184.3.

28 2. a. If the council has been established, the secretary
29 shall call and the department shall conduct a special
30 referendum upon the department's receipt of a petition that
31 otherwise complies with subsection 1 calling for a state
32 assessment for clean water to be imposed as provided in section
33 184.3.

34 b. Upon receipt of a petition that otherwise complies with
35 subsection 1, the secretary may in lieu of conducting a special

1 referendum include as part of the initial referendum a separate
 2 special question whether to establish a state assessment for
 3 clean water to be imposed as provided in section 184.3, if the
 4 secretary determines the inclusion of the special question is
 5 cost-effective or the petition demands inclusion.

6 3. The initial referendum or a special referendum described
 7 in this section shall be conducted within sixty days following
 8 receipt of the petition. The petitioners shall guarantee
 9 payment of the cost of the initial referendum or special
 10 referendum by providing evidence of financial security as
 11 required by the department.

12 ~~2.~~ 4. The department shall give notice of the initial
 13 ~~referendum on the question whether to establish a council and~~
 14 ~~to impose an assessment or special referendum described in this~~
 15 section by publishing the notice for a period of not less than
 16 five days in at least one newspaper of general circulation in
 17 the state. The notice shall state the voting places, period
 18 of time for voting, and other information deemed necessary by
 19 the department. A An initial referendum or special referendum
 20 shall not be commenced until five days after the last date of
 21 publication.

22 ~~3.-a.~~ 5. Each producer who signs a statement certifying
 23 that the producer is a bona fide producer shall be an eligible
 24 voter under this section. An eligible voter is entitled to
 25 cast one vote in each initial referendum or special referendum
 26 conducted under this section.

27 ~~b.~~ 6. At the close of the initial referendum or special
 28 referendum, the secretary shall count and tabulate the ballots
 29 cast.

30 ~~{1}~~ 7. a. If a majority of eligible voters approve
 31 establishing an Iowa egg a council and imposing an assessment
 32 for direct use, a the council and the assessment shall be
 33 established, and an the assessment shall be imposed, commencing
 34 not more than sixty days following the initial referendum as
 35 determined by the council and shall continue until eligible

1 voters voting in a special referendum held conducted pursuant
 2 to section 184.5 vote to abolish the council and terminate the
 3 ~~imposition of~~ the assessment for direct use.

4 b. If a majority of eligible voters approve establishing
 5 a state assessment for clean water, pursuant to a special
 6 referendum, the state assessment shall be imposed commencing
 7 not more than sixty days following the special referendum as
 8 determined by the council. If a majority of eligible voters
 9 approve establishing a state assessment for clean water, as
 10 part of an initial referendum the state assessment shall be
 11 imposed in the same manner described in paragraph "a". The
 12 state assessment for clean water shall continue until eligible
 13 voters voting in a special referendum conducted pursuant to
 14 section 184.5 vote to do any of the following:

15 (1) Abolish the council and terminate the assessment for
 16 direct use.

17 (2) Terminate the state assessment for clean water.

18 ~~{2}~~ 8. a. If a majority of the voters do not approve
 19 establishing the council and imposing the assessment for direct
 20 use, the council and the assessment shall not be established,
 21 and an the assessment shall not be imposed, until another
 22 initial referendum is held conducted under this chapter and a
 23 majority of the eligible voters approve establishing a council
 24 and imposing the an assessment for direct use. If a an initial
 25 referendum should fail, another initial referendum to decide
 26 whether to establish a council and an assessment shall not be
 27 held conducted within at least one hundred eighty days from the
 28 date that the last initial referendum was conducted.

29 b. If a majority of the voters do not approve establishing
 30 a state assessment for clean water, the state assessment
 31 shall not be established until the question is approved at
 32 a special referendum or as part of an initial referendum
 33 conducted pursuant to this section. If a special referendum,
 34 or an initial referendum which includes the question whether
 35 to establish a state assessment for clean water, should fail,

1 the special referendum or an initial referendum which includes
 2 the special question shall not be conducted for at least one
 3 hundred eighty days from the date that the last such special
 4 referendum or initial referendum was conducted.

5 4. 9. Immediately after passage of the question to
 6 establish a council and assessment for direct use at the an
 7 initial referendum, the secretary shall appoint seven members
 8 to the council in accordance with [section 184.6](#) based on
 9 nominations made by the Iowa poultry association. The Iowa
 10 poultry association shall nominate and the secretary shall
 11 appoint two members representing large producers, two members
 12 representing medium producers, and three members representing
 13 small producers. The department, in consultation with the Iowa
 14 poultry association, shall determine initial classifications
 15 for small, medium, and large producers. The secretary shall
 16 complete the appointments within thirty days following passage
 17 of the question at the initial referendum.

18 Sec. 48. Section 184.3, Code 2017, is amended to read as
 19 follows:

20 **184.3 Assessment Assessments and state assessments.**

21 1. ~~a.~~ Except as provided in ~~paragraph "b"~~ subsection 4,
 22 an assessment for direct use of two and one-half cents is
 23 imposed on each thirty dozen eggs produced in this state. The
 24 assessment for direct use shall be imposed on a producer at the
 25 time of delivery to a purchaser who shall deduct the assessment
 26 for direct use from the price paid to a producer at the time of
 27 sale.

28 2. A state assessment for clean water is imposed and
 29 deducted in the same manner as the assessment for direct use
 30 provided in subsection 1. The rate of the state assessment for
 31 clean water shall be established by the council at a rate not
 32 to exceed the rate of assessment for direct use as provided in
 33 subsection 1.

34 3. The assessment for direct use and the state assessment
 35 for clean water shall not be refundable. The assessment ~~is~~ for

1 direct use and state assessment for clean water are due to be
 2 paid to the council within thirty days following each calendar
 3 quarter, as provided by the council.

4 ~~b.~~ 4. a. Upon request of the council, the secretary shall
 5 call a special referendum for producers to vote on whether to
 6 authorize an increase in the rate of assessment for direct use
 7 to an amount that is more than two and one-half cents imposed
 8 on each thirty dozen eggs produced in this state.

9 b. Upon request of the council, the secretary shall call
 10 a special referendum for producers to vote on whether to
 11 authorize an increase in the state assessment for clean water
 12 as established by the council not to exceed the rate of the
 13 assessment for direct use described in paragraph "a". The
 14 secretary shall include as part of a special referendum to
 15 increase the rate of the assessment for direct use, a separate
 16 special question whether to increase the rate of the state
 17 assessment for clean water. If the secretary determines the
 18 inclusion of the special question is cost-effective or the
 19 request demands inclusion.

20 5. a. Notice of a special referendum described in
 21 subsection 4 shall be given and the special referendum shall be
 22 conducted in the manner provided in [section 184.5](#).

23 b. If a majority of the producers voting approves ~~the an~~
 24 increase in the rate of the assessment for direct use, the
 25 council may increase the assessment for to the amount rate
 26 approved. However, the The rate of the assessment for direct
 27 use shall not exceed fifteen cents imposed on each thirty dozen
 28 eggs produced in this state. If a majority of the producers
 29 voting approves an increase in the state assessment for
 30 clean water, the council shall increase the rate of the state
 31 assessment to a rate not to exceed the rate approved for the
 32 assessment for direct use.

33 ~~2.~~ 6. a. If the producer sells eggs to a purchaser outside
 34 the state of Iowa, the producer shall deduct the assessment for
 35 direct use from the amount received from the sale and shall

1 forward the amount deducted to the council within thirty days
2 following each calendar quarter.

3 b. If the producer sells eggs to a purchaser outside the
4 state of Iowa, the producer shall deduct the state assessment
5 for clean water in the same manner as described in paragraph
6 "a".

7 7. If the producer and processor are the same person, then
8 that person shall pay the assessment for direct use or the
9 state assessment for clean water to the council within thirty
10 days following each calendar quarter.

11 ~~3.~~ 8. The council may charge interest on any amount of the
12 an assessment for direct use or a state assessment for clean
13 water that is delinquent. The rate of interest shall not be
14 more than the current rate published in the Iowa administrative
15 bulletin by the department of revenue pursuant to section
16 421.7. The interest amount shall be computed from the date
17 the assessment for direct use or a state assessment for clean
18 water is delinquent, unless the council designates a later
19 date. The interest amount shall accrue for each month in which
20 there is delinquency calculated as provided in section 421.7,
21 and counting each fraction of a month as an entire month. The
22 interest amount due shall become a part of the assessment for
23 direct use or a state assessment for clean water due.

24 Sec. 49. Section 184.4, subsection 1, paragraph e, Code
25 2017, is amended to read as follows:

26 e. The rate of withholding and the total amount of
27 assessment for direct use and the state assessment for clean
28 water withheld. The council may require the invoice to
29 separately indicate the amount withheld for the assessment for
30 direct use and for the state assessment for clean water.

31 Sec. 50. Section 184.5, Code 2017, is amended to read as
32 follows:

33 ~~184.5 Referendums~~ Special referendum conducted to abolish
34 the council and terminate imposition of the assessment or state
35 assessment.

1 1. A special referendum may be called to abolish the council
2 and terminate ~~the imposition of~~ the assessment for direct use
3 established pursuant to section 184.3 and any state assessment
4 for clean water established pursuant to that section.

5 2. a. A special referendum may be called to terminate
6 the state assessment for clean water established pursuant to
7 section 184.3.

8 b. The secretary shall include as part of a special
9 referendum to abolish the council and terminate the assessment
10 for direct use described in subsection 1, a separate special
11 question whether to terminate the state assessment for clean
12 water, if the secretary determines the inclusion of the special
13 question is cost-effective or the request demands inclusion.

14 3. The secretary shall call, and the department shall
15 conduct, ~~the a special~~ referendum described in subsection
16 1 upon the department's receipt of a petition requesting
17 the special referendum. The petition must be signed by at
18 least twenty eligible voters or fifty percent of all eligible
19 voters, whichever is greater. In order to be an eligible voter
20 under this section, a producer must have paid an assessment
21 for direct use established under section 184.3, and a state
22 assessment for clean water if established under that section,
23 in the year of the special referendum. The special referendum
24 shall be conducted within sixty days following receipt of the
25 petition. The petitioners shall guarantee payment of the cost
26 of the special referendum by providing evidence of financial
27 security as required by the department.

28 ~~2.~~ 4. The following procedures shall apply to a special
29 referendum conducted pursuant to this section:

30 a. The department shall publish a notice of the special
31 referendum for a period of not less than five days in at least
32 one newspaper of general circulation in the state. The notice
33 shall state the voting places, period of time for voting,
34 and other information deemed necessary by the department. A
35 special referendum shall not be commenced until five days after

1 the last date of publication.

2 **b.** Upon signing a statement certifying to the secretary that
 3 the producer is an eligible voter, a producer is entitled to
 4 one vote in each special referendum conducted pursuant to this
 5 section. The department may conduct the special referendum
 6 by mail, electronic means, or a general meeting of eligible
 7 voters. The department shall conduct the special referendum
 8 and count and tabulate the ballots filed during the special
 9 referendum within thirty days following the close of the
 10 special referendum.

11 ~~{1}~~ **c.** If a majority of the total number of eligible
 12 voters who vote in the special referendum ~~approve~~ approves
 13 the continuation of the council and the ~~imposition of the~~
 14 assessment for direct use, the council and the imposition of
 15 the assessment shall continue as provided in this chapter.

16 **d.** If a majority of eligible voters who vote in the special
 17 referendum approves the continuation of the state assessment
 18 for clean water, the imposition of the state assessment shall
 19 continue for the same period as the assessment for direct use.

20 ~~{2}~~ **e.** If a majority of the total number of eligible
 21 voters who vote in the special referendum ~~held pursuant to~~
 22 ~~this section~~ do does not approve continuing the council and
 23 the ~~imposition of the~~ assessment for direct use, the secretary
 24 shall terminate ~~the collection of the assessment~~ for direct use
 25 established pursuant to section 184.3 and the state assessment
 26 for clean water if established pursuant to that section, on
 27 the first day of the year for which the referendum was to
 28 continue. The secretary shall terminate the activities of the
 29 council in an orderly manner as soon as practicable after the
 30 determination is made. An additional initial referendum may be
 31 ~~held as provided in~~ conducted under section 184.2. However,
 32 the ~~subsequent~~ additional referendum shall not be ~~held within~~
 33 conducted for at least one hundred eighty days after the date
 34 that the last such special referendum was conducted.

35 **f.** If a majority of the total number of eligible voters

1 who vote in the special referendum does not approve continuing
 2 the state assessment for clean water, the secretary shall
 3 terminate the state assessment in an orderly manner as soon as
 4 practicable after the determination is made. An additional
 5 special referendum or an additional initial referendum that
 6 includes a separate special question to establish the state
 7 assessment for clean water may be conducted under section
 8 184.2. However, the subsequent special referendum or
 9 initial referendum shall not be conducted for at least one
 10 hundred eighty days after the date that the last such special
 11 referendum or initial referendum was conducted.

12 Sec. 51. Section 184.10, subsection 4, Code 2017, is amended
 13 to read as follows:

14 4. Enter into arrangements for the collection of the
 15 assessment for direct use and any state assessment for clean
 16 water.

17 Sec. 52. Section 184.10, Code 2017, is amended by adding the
 18 following new subsection:

19 NEW SUBSECTION. 8. Cooperate with the division of soil
 20 conservation and water quality of the department of agriculture
 21 and land stewardship in doing all of the following:

22 a. Transferring moneys from the state assessment for clean
 23 water to the clean water fund created in section 466B.51.

24 b. Being reimbursed for reasonable expenses incurred in
 25 conducting an initial or special referendum to establish,
 26 continue, or terminate a state assessment for clean water.

27 Sec. 53. Section 184.13, Code 2017, is amended to read as
 28 follows:

29 **184.13 Administration of moneys.**

30 1. Subject to the provisions of section 184.3, the
 31 assessment imposed by ~~this chapter~~ for direct use established
 32 pursuant to section 184.3, and the state assessment for
 33 clean water if established pursuant to that section, shall
 34 be remitted by the purchaser to the council not later than
 35 thirty days following each calendar quarter during which the

1 assessment was collected.

2 2. ~~Amounts~~ Moneys collected from the assessment for direct
 3 use shall be deposited in the office of the treasurer of
 4 state in a separate fund to be known as the Iowa egg fund.
 5 The department of administrative services shall transfer
 6 moneys from the fund to the council for deposit into an
 7 account established by the council in a qualified financial
 8 institution. The department shall transfer the moneys as
 9 provided in a resolution adopted by the council. However, the
 10 department is only required to transfer moneys once during each
 11 day and only during hours when the offices of the state are
 12 open.

13 3. Moneys collected from a state assessment for clean
 14 water by the council may be deposited in a qualified financial
 15 institution and shall be transferred to the clean water fund
 16 created in section 466B.51.

17 Sec. 54. Section 184.14, Code 2017, is amended to read as
 18 follows:

19 **184.14 Use of moneys — appropriation — audit.**

20 1. All moneys deposited in the Iowa egg fund and transferred
 21 to the council as provided in [section 184.13](#) are appropriated
 22 and shall be used for the administration of [this chapter](#) and
 23 for the payment of claims based upon obligations incurred in
 24 the performance of activities and functions set forth in this
 25 chapter.

26 2. a. Moneys collected, deposited in the fund, and
 27 transferred to the council as provided in [this chapter](#) are
 28 subject to audit by the auditor of state. The auditor of state
 29 may seek reimbursement for the cost of the audit. The moneys
 30 transferred to the council shall be used by the council first
 31 for the payment of collection expenses, second for payment of
 32 the costs and expenses arising in connection with conducting
 33 referendums, third to perform the functions and carry out the
 34 duties of the council as provided in [this chapter](#), and fourth
 35 for the cost of audits by the auditor of state.

1 b. ~~Moneys~~ The moneys remaining after the council is
 2 abolished and the imposition of an the assessment for direct
 3 use imposed pursuant to section 184.3 is terminated pursuant to
 4 a special referendum conducted pursuant to section 184.5 shall
 5 continue to be expended in accordance with this chapter until
 6 exhausted.

7 3. If the council is abolished and the assessment for direct
 8 use is terminated pursuant to a special referendum conducted
 9 under section 184.5, remaining moneys collected from the state
 10 assessment for clean water shall be transferred to the clean
 11 water fund created in section 466B.51. If the state assessment
 12 for clean water is terminated pursuant to a special referendum
 13 conducted under that section, remaining moneys collected from
 14 the state assessment shall be transferred to the clean water
 15 fund created in section 466B.51.

16 4. Except as expressly provided in this chapter, moneys
 17 collected from a state assessment for clean water shall not be
 18 used for any purpose other than to be transferred to the clean
 19 water fund created in section 466B.51.

20 Sec. 55. Section 184.18, Code 2017, is amended to read as
 21 follows:

22 **184.18 Purchasers outside Iowa.**

23 The secretary may enter into arrangements with purchasers
 24 from outside Iowa for payment of the assessment for direct use
 25 and the state assessment for clean water.

26 DIVISION VI

27 IOWA TURKEY MARKETING COUNCIL

28 Sec. 56. Section 184A.1, Code 2017, is amended by adding the
 29 following new subsection:

30 NEW SUBSECTION. 1A. "Assessment" means an excise tax
 31 imposed on the sale of turkeys which may include an assessment
 32 for direct use and a state assessment for clean water.

33 Sec. 57. Section 184A.1A, Code 2017, is amended to read as
 34 follows:

35 **184A.1A ~~Referendum conducted to establish an Iowa turkey~~**

1 ~~marketing council and impose an assessment~~ Referendums and
2 assessments.

3 1. The department shall call and conduct a an initial
4 referendum upon the department's receipt of a petition which
5 is signed by at least twenty eligible voters requesting a
6 an initial referendum to determine whether to establish an
7 Iowa turkey marketing council as provided in section 184A.1B
8 and ~~impose~~ establish an assessment for direct use imposed as
9 provided in section 184A.2.

10 2. If a council is established, and upon receipt of a
11 petition that otherwise complies with the requirements of
12 subsection 1, the department shall call and conduct a special
13 referendum to establish a state assessment for clean water as
14 provided in section 184A.2.

15 3. Upon receipt of a petition that otherwise complies with
16 the requirements of subsection 1, the secretary shall include
17 as part of the initial referendum a separate special question
18 whether to establish a state assessment for clean water
19 described in subsection 2, if the secretary determines the
20 inclusion of the separate special question is cost-effective or
21 the petition demands inclusion.

22 4. In order to be an eligible voter under this section,
23 a petitioner must be a qualified producer. The initial or
24 special referendum shall be conducted by election within sixty
25 days following receipt of the petition. The petitioners shall
26 guarantee payment of the cost of the referendum by providing
27 evidence of financial security as required by the department.

28 ~~2-~~ 5. The department shall give notice of the an initial
29 referendum on the question whether to establish a council and
30 to impose an assessment or special referendum by publishing
31 the notice for a period of not less than five days in at least
32 one newspaper of general circulation in the state, and for
33 a similar period in other newspapers as prescribed by the
34 department. The notice shall state the voting places, period
35 of time for voting, the manner of voting, the amount of the

1 assessment for direct use or the amount of the state assessment
 2 for clean water, and other information deemed necessary by the
 3 department. A referendum or special referendum shall not be
 4 commenced until five days after the last date of publication.

5 ~~3.—a.~~ 6. Each eligible voter who signs a statement
 6 certifying that the eligible voter is a qualified producer
 7 shall be an eligible voter under this section. An eligible
 8 voter is entitled to cast one vote in each initial referendum
 9 or special referendum conducted under this section. The
 10 department may conduct the initial referendum or special
 11 referendum by mail, electronic means, or a general meeting of
 12 eligible voters.

13 ~~b.~~ 7. At the close of the initial referendum or special
 14 referendum, the department shall count and tabulate the ballots
 15 cast.

16 ~~{1}~~ 8. a. If a majority of eligible voters who vote in
 17 ~~the~~ an initial referendum approve establishing the council and
 18 ~~imposing~~ an assessment for direct use under section 184A.2, a
 19 council and the assessment shall be established, and ~~an~~ the
 20 assessment shall be imposed commencing not more than sixty days
 21 following the initial referendum as determined by the council.
 22 The council and assessment for direct use shall continue for
 23 five years as provided in section 184A.12.

24 b. If a majority of eligible voters who vote in a special
 25 referendum approve establishing a state assessment for clean
 26 water, the state assessment shall be imposed commencing not
 27 more than sixty days following the special referendum as
 28 determined by the council.

29 ~~{2}~~ c. If a majority of eligible voters who vote in ~~the~~ an
 30 initial referendum do not approve establishing the council and
 31 ~~imposing the~~ an assessment for direct use, the council shall
 32 not be established and an assessment shall not be established
 33 and imposed until another initial referendum is ~~held~~ conducted
 34 under this section and a majority of the eligible voters voting
 35 approve establishing a council and ~~imposing the~~ an assessment

1 for direct use. If a an initial referendum should fail,
 2 another initial referendum shall not be ~~held within~~ conducted
 3 for at least one hundred eighty days from the date of the last
 4 such initial referendum.

5 d. If a majority of the voters do not approve establishing
 6 a state assessment for clean water, the state assessment shall
 7 not be established and imposed until the question is approved
 8 at a special referendum or as part of an initial referendum
 9 conducted pursuant to this section. If a special referendum
 10 or an initial referendum which includes the question whether
 11 to establish a state assessment should fail, the special
 12 referendum or an initial referendum which includes the question
 13 shall not be conducted for at least one hundred eighty days
 14 from the date of the last such special referendum or initial
 15 referendum which included the separate special question.

16 ~~4.~~ 9. Within thirty days after approval at the initial
 17 referendum to establish a council and ~~to impose~~ an assessment
 18 for direct use, the department shall organize the council as
 19 provided in section 184A.1B.

20 Sec. 58. Section 184A.1C, subsection 4, Code 2017, is
 21 amended to read as follows:

22 4. Enter into arrangements for the collection, ~~and deposit,~~
 23 and use of the assessment for direct use or the collection,
 24 deposit, and transfer of the state assessment for clean water.

25 Sec. 59. Section 184A.1C, Code 2017, is amended by adding
 26 the following new subsection:

27 NEW SUBSECTION. 7. Cooperate with the division of soil
 28 conservation and water quality of the department of agriculture
 29 and land stewardship in doing all of the following:

30 a. Transferring moneys collected from the state assessment
 31 for clean water to the clean water fund created in section
 32 466B.51.

33 b. Being reimbursed for reasonable expenses incurred in
 34 conducting an initial or special referendum to establish,
 35 continue, or terminate a state assessment for clean water.

1 Sec. 60. Section 184A.2, Code 2017, is amended to read as
2 follows:

3 **184A.2 Assessment Assessments — direct use — clean water.**

4 1. If an assessment for direct use or a state assessment for
5 clean water is approved by a majority of the eligible voters
6 voting at a an initial referendum or special referendum as
7 provided in section 184A.1A or 184A.12, all of the following
8 shall apply:

9 a. The assessment for direct use or the state assessment
10 for clean water shall be imposed on each turkey delivered for
11 processing.

12 b. The council shall establish a rate of the assessment for
13 direct use and the state assessment for clean water for each
14 turkey delivered for processing. The council may establish
15 different rates based on attributes or characteristics of
16 turkeys. However, a rate shall not be more than three cents
17 for each turkey delivered for processing. The rate of the
18 state assessment for clean water shall be established by the
19 council at a rate not to exceed the assessment for direct use
20 in effect when the referendum establishing the state assessment
21 passes.

22 c. The assessment for direct use or the state assessment
23 for clean water shall be imposed on the producer and collected
24 at the time of delivery of a turkey to the processor. The
25 assessment for direct use and the state assessment for clean
26 water shall be deducted by the processor at the time of
27 delivery from the price paid to the producer at the time of the
28 sale to the processor. A processor shall remit ~~assessments~~
29 moneys collected from the assessment for direct use or the
30 state assessment for clean water to the council on a monthly
31 basis as provided by the council. The council shall deposit
32 the remitted ~~assessments~~ moneys collected from the assessment
33 for direct use in the Iowa turkey fund as provided in section
34 184A.4. The council shall transmit moneys collected from
35 the state assessment for clean water to the clean water fund

1 created in section 466B.51.

2 2. The council may enter into agreements with processors
3 from outside this state for the payment of the assessment for
4 direct use and the state assessment for clean water.

5 3. a. The council shall provide for a refund of an
6 assessment for direct use, and of a state assessment for
7 clean water if established, according to rules adopted by the
8 council.

9 b. The council shall publish and disseminate applications
10 for refunds. An application shall allow the applicant to elect
11 whether the refund is for the assessment for direct use or a
12 state assessment for clean water or both. The council shall
13 not approve an application unless the application indicates the
14 election.

15 c. The council shall transmit any approved application for a
16 refund of the state assessment for clean water to the division
17 of soil conservation and water quality of the department of
18 agriculture and land stewardship which shall pay a refund to
19 the producer in the same manner as the council pays a refund to
20 the producer under paragraph "a".

21 Sec. 61. Section 184A.3, Code 2017, is amended to read as
22 follows:

23 **184A.3 ~~Assessment documentation~~ Assessments — documentation.**

24 A processor receiving turkeys for slaughter shall do all of
25 the following:

26 1. At the time of payment to the producer, the processor
27 shall sign and submit a receipt to the producer which includes
28 the rate of the assessment for direct use imposed and the
29 rate of the state assessment for clean water imposed and the
30 amount of the assessment and state assessment for all turkeys
31 delivered for processing.

32 2. Within a period established by rules adopted by the
33 council, the processor shall regularly sign and submit to the
34 council an invoice or other records required by the council to
35 expedite collection of the assessment for direct use and the

1 state assessment for clean water. The council may require that
2 the processor submit a separate invoice for each purchase. The
3 invoice shall be legibly printed and shall not be altered. An
4 invoice shall include all of the following:

5 a. The name and address of the producer and the seller, if
6 the seller's name is different from the producer.

7 b. The name and address of the processor.

8 c. The number of turkeys sold.

9 d. The date of the delivery.

10 3. The council may require the invoice to separately
11 indicate the amount withheld for the assessment for direct use
12 and the state assessment for clean water.

13 Sec. 62. Section 184A.4, Code 2017, is amended to read as
14 follows:

15 **184A.4 Administration of moneys.**

16 1. ~~a.~~ Moneys from the assessment for direct
17 use collected by the council as provided in [section 184A.2](#)
18 shall be deposited in the office of the treasurer of state in
19 a special fund known as the Iowa turkey fund. The department
20 of administrative services shall transfer moneys from the
21 fund to the council for deposit into the turkey council
22 account established by the council pursuant to [this section](#).
23 The department shall transfer the moneys as provided in a
24 resolution adopted by the council. However, the department is
25 only required to transfer moneys once during each day and only
26 during hours when the offices of the state are open.

27 ~~2. b.~~ The council shall establish a turkey council
28 account in a qualified financial institution. The council
29 shall provide for the deposit of all of the following into the
30 account:

31 ~~a.~~ (1) The assessment for direct use collected, deposited
32 in the Iowa turkey fund, and transferred to the council as
33 provided in [this section](#).

34 ~~b.~~ (2) Moneys, other than ~~assessments~~ moneys collected from
35 the state assessment for clean water, but including moneys in

1 the form of gifts, rents, royalties, or license fees received
2 by the council pursuant to [section 184A.1C](#).

3 2. Except as expressly provided in this chapter, moneys
4 collected from the state assessment for clean water under this
5 section shall not be used for any purpose other than to be
6 transferred to the clean water fund created in section 466B.51.

7 Sec. 63. Section 184A.6, Code 2017, is amended to read as
8 follows:

9 **184A.6 Use of moneys in the turkey council account.**

10 1. All moneys deposited in the turkey council account
11 pursuant to [section 184A.4](#) shall be used by the council for
12 purposes of administering [this chapter](#).

13 2. The council shall expend moneys ~~from~~ deposited in the
14 turkey council account first for the payment of expenses for
15 the collection of ~~assessments~~ moneys from the assessment for
16 direct use and the state assessment for clean water, second
17 for the payment of expenses related to conducting a special
18 referendum as provided in conducted under [section 184A.12](#),
19 and third for the cost of performing audits by the auditor of
20 state as required in [section 184A.9](#). The council shall expend
21 remaining moneys for market development, producer education,
22 and the payment of refunds to producers as provided in this
23 chapter.

24 Sec. 64. Section 184A.10, Code 2017, is amended to read as
25 follows:

26 **184A.10 Referendum Referendums.**

27 Upon receipt of a petition signed by at least twenty-five
28 producers requesting an initial referendum ~~election~~ to
29 determine whether to impose the fee assessment for direct use
30 as provided in [section 184A.2](#) the secretary shall call and
31 conduct an initial referendum.

32 Sec. 65. Section 184A.12, Code 2017, is amended to read as
33 follows:

34 **184A.12 Referendum Special referendum conducted to continue**
35 **the council and the imposition of the assessment establishment**

1 of assessments.

2 1. The council shall call for a special referendum to
3 continue the council established pursuant to section 184A.1A,
4 and to continue the assessment for direct use established
5 pursuant to section 184A.2.

6 2. The council shall call for a special referendum to
7 continue the state assessment for clean water if established
8 pursuant to section 184A.1A. The council may include as
9 part of the special referendum to continue the council and
10 the assessment for direct use under subsection 1, a separate
11 special question whether to continue the state assessment for
12 clean water.

13 3. The council shall call and conduct ~~the~~ a special
14 referendum ~~by election~~ as provided in this section. The
15 department shall oversee the conduct of the special referendum.
16 The special referendum shall be conducted in the fifth year
17 following the initial referendum establishing the council and
18 the assessment for direct use as provided in section 184A.10.

19 ~~2.~~ 4. The following procedures shall apply to a special
20 referendum conducted pursuant to this section:

21 a. The council shall publish a notice of the special
22 referendum for a period of not less than five days in at least
23 one newspaper of general circulation in the state and for
24 a similar period in other newspapers as prescribed by the
25 council. The notice shall state the voting places, period of
26 time for voting, manner of voting, and other information deemed
27 necessary by the council. A referendum shall not be commenced
28 until five days after the last date of publication.

29 b. Upon signing a statement certifying to the council that
30 a producer is an eligible voter, the producer is entitled to
31 one vote in each special referendum conducted pursuant to
32 this section. In order to be an eligible voter under this
33 section, a producer must be a qualified producer who paid ~~an~~
34 the assessment for direct use and the state assessment for
35 clean water, if established, in the year in which the special

1 referendum is ~~held~~ conducted. The council may conduct the
 2 special referendum by mail, electronic means, or a general
 3 meeting of eligible voters. The council shall conduct the
 4 special referendum and count and tabulate the ballots filed
 5 during the special referendum within thirty days following the
 6 close of the special referendum.

7 ~~{1}~~ c. If a majority of eligible voters who vote in the
 8 special referendum approves ~~the continuation of~~ continuing the
 9 council and the ~~imposition of the~~ assessment for direct use,
 10 the council and the imposition of the assessment shall continue
 11 as provided in this chapter.

12 d. If a majority of eligible voters who vote in the special
 13 referendum approves continuing the state assessment for clean
 14 water, the imposition of the state assessment shall continue
 15 for the same period as the assessment for direct use.

16 ~~{2}~~ e. If a majority of eligible voters who vote in the
 17 special referendum does not approve continuing the council and
 18 the ~~imposition of the~~ assessment for direct use, the department
 19 shall terminate the ~~collection of the~~ assessment for direct
 20 use and the state assessment for clean water if established.
 21 The termination shall occur on the first day of the year for
 22 which the special referendum was to continue. The department
 23 shall terminate the activities of the council in an orderly
 24 manner as soon as practicable after the date that the special
 25 referendum was conducted. A subsequent initial referendum may
 26 be ~~held~~ conducted as provided in section 184A.1A. However,
 27 the subsequent initial referendum shall not be ~~held within~~
 28 conducted for at least one hundred eighty days from the date ~~of~~
 29 that the last special referendum was conducted.

30 f. If a majority of eligible voters who vote in the special
 31 referendum does not approve continuing the state assessment
 32 for clean water, the department shall terminate the state
 33 assessment in the same manner as described in paragraph "e". A
 34 subsequent special referendum to establish a state assessment
 35 for clean water may be conducted as provided in section

1 184A.1A. However, the subsequent special referendum shall not
 2 be conducted for at least one hundred eighty days from the date
 3 that the last special referendum was conducted.

4 Sec. 66. Section 184A.12A, Code 2017, is amended to read as
 5 follows:

6 **184A.12A Referendum Special referendum conducted to abolish**
 7 **the council and terminate the ~~imposition of the assessment~~**
 8 **assessments.**

9 1. A The department may call and conduct a special
 10 referendum may be called to abolish the council established
 11 pursuant to ~~sections~~ section 184A.1A and ~~184A.1B~~, and, to
 12 terminate the ~~imposition of the assessment for direct use~~
 13 established pursuant to section 184A.2, and to terminate the
 14 state assessment for clean water established pursuant to
 15 section 184A.2.

16 2. a. The department shall call and conduct, as provided
 17 in subsection 3, a special referendum to terminate the state
 18 assessment for clean water established pursuant to section
 19 184A.2.

20 b. The department shall include as part of a special
 21 referendum to continue the council and the state assessment for
 22 direct use conducted under subsection 1, a separate special
 23 question to continue the state assessment for clean water, if
 24 the department determines the inclusion of the special question
 25 is cost-effective or a petition described in subsection 3
 26 demands inclusion.

27 3. The department shall call and conduct the special
 28 referendum upon the department's receipt of a petition
 29 requesting the special referendum or the inclusion of a
 30 separate special question as described in this section. The
 31 petition must be signed by at least twenty eligible voters or
 32 fifty percent of all eligible voters, whichever is greater. In
 33 order to be an eligible voter under this section, a producer
 34 must be a qualified producer who paid an the assessment
 35 for direct use and the state assessment for clean water, if

1 established, in the year in which the special referendum is
 2 ~~held~~ conducted. The special referendum shall be conducted by
 3 election within sixty days following receipt of the petition.
 4 The petitioners shall guarantee payment of the cost of the
 5 special referendum by providing evidence of financial security
 6 as required by the department.

7 ~~2.~~ 4. The following procedures shall apply to a special
 8 referendum conducted pursuant to this section:

9 a. The department shall publish a notice of the special
 10 referendum for a period of not less than five days in at least
 11 one newspaper of general circulation in the state and for
 12 a similar period in other newspapers as prescribed by the
 13 department. The notice shall state the voting places, period
 14 of time for voting, manner of voting, and other information
 15 deemed necessary by the department. A special referendum
 16 shall not be commenced until five days after the last date of
 17 publication.

18 b. Upon signing a statement certifying to the department
 19 that a producer is an eligible voter, the producer is entitled
 20 to one vote in each special referendum conducted pursuant
 21 to this section. The department may conduct the special
 22 referendum by mail, electronic means, or a general meeting of
 23 eligible voters. The department shall conduct the special
 24 referendum and count and tabulate the ballots filed during the
 25 special referendum within thirty days following the close of
 26 the special referendum.

27 ~~(1)~~ c. If a majority of eligible voters who vote in the
 28 special referendum approves the continuation of the council and
 29 ~~the imposition of the assessment for direct use~~, the council
 30 and ~~the imposition of the assessment~~ shall continue as provided
 31 in this chapter.

32 d. If a majority of eligible voters who vote in the special
 33 referendum approves the continuation of the state assessment
 34 for clean water, the state assessment shall continue for the
 35 same period as the assessment for direct use.

1 ~~(2)~~ e. If a majority of eligible voters who vote in the
2 special referendum does not approve continuing the council and
3 the ~~imposition of the~~ assessment for direct use, the department
4 shall terminate the collection of the assessment for direct use
5 on the first day of the year for which the special referendum
6 was to continue. The department shall terminate the activities
7 of the council in an orderly manner as soon as practicable
8 after the special referendum. A subsequent initial referendum
9 may be ~~held~~ conducted as provided in [section 184A.1A](#). However,
10 the subsequent initial referendum shall not be ~~held within~~
11 conducted for at least one hundred eighty days from the date of
12 that the last special referendum was conducted.

f. If a majority of eligible voters who vote in the special referendum does not approve continuing the state assessment for clean water, the department shall terminate the collection of the state assessment in the same manner as described in paragraph "e". A subsequent special referendum to establish a state assessment for clean water may be called and conducted under section 184A.1A, or a separate special question to establish the state assessment and included as part of a subsequent initial referendum may be called and conducted under that section. However, the subsequent special referendum or subsequent initial referendum that includes the special question shall not be conducted for at least one hundred eighty days from the date that the last special referendum terminating the state assessment was conducted.

DIVISION VII

IOWA SOYBEAN ASSOCIATION

29 Sec. 67. Section 185.1, subsection 17, Code 2017, is amended
30 to read as follows:

17. "*State assessment*" or "*assessment*" means an excise tax on each bushel of soybeans marketed in this state which is imposed pursuant to a any of the following:

34 a. A state assessment for direct use pursuant to a
35 promotional order as provided in [this chapter](#).

1 b. A state assessment for clean water.

2 Sec. 68. Section 185.1A, Code 2017, is amended to read as
3 follows:

4 **185.1A Recognition of Iowa soybean association.**

5 1. The corporation known as the Iowa soybean association
6 incorporated under the laws of this state shall be entitled
7 to the benefits of this chapter by filing each year with the
8 secretary a verified proof of its organization, the names
9 of its officers, and any other information required by the
10 secretary.

11 2. The Iowa soybean association is a qualified state soybean
12 board for purposes of administering a national assessment.
13 For purposes of this chapter, "association" shall include a
14 successor qualified state soybean board or other entity that is
15 recognized by federal law to administer the national assessment
16 in Iowa.

17 Sec. 69. Section 185.2, Code 2017, is amended to read as
18 follows:

19 **185.2 ~~Petition for election~~ Referendums.**

20 1. Upon receipt of a petition signed by at least five
21 hundred producers requesting an initial referendum ~~election~~
22 to determine whether a promotional order shall be placed in
23 effect, the secretary shall call an ~~the~~ initial referendum
24 ~~election~~ to be conducted within sixty days following receipt
25 of the petition. Producers shall vote by written ballot in
26 the manner provided by this chapter for an initial referendum
27 elections.

28 2. a. If a promotional order is placed into effect, and
29 upon receipt of a petition that otherwise complies with the
30 requirements of this section, the secretary shall conduct a
31 special referendum to establish a state assessment for clean
32 water. The special referendum shall be conducted in the same
33 manner as an initial referendum described in subsection 1.

34 b. Upon receipt of a petition that otherwise complies with
35 the requirements of this section, the secretary shall include

1 as part of the initial referendum a separate special question
2 whether to establish and impose a state assessment for clean
3 water described in this section, if the secretary determines
4 the inclusion of the special question is cost-effective or the
5 petition demands inclusion.

6 Sec. 70. Section 185.11, Code 2017, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 5. Cooperate with the division of soil
9 conservation and water quality of the department of agriculture
10 and land stewardship in doing all of the following:

11 a. Transferring moneys collected from the state assessment
12 for clean water to the clean water fund created in section
13 466B.51.

14 b. Being reimbursed for reasonable expenses incurred in
15 conducting an initial or special referendum to establish,
16 continue, or terminate a state assessment for clean water.

17 Sec. 71. Section 185.13, subsection 4, Code 2017, is amended
18 to read as follows:

19 4. Enter into arrangements for collection of the state
20 assessment for direct use and any state assessment for clean
21 water imposed on soybeans marketed in this state.

22 Sec. 72. Section 185.16, Code 2017, is amended to read as
23 follows:

24 **185.16 Notice of referendum.**

25 1. Notice of a referendum ~~election~~ to initiate or extend a
26 promotional order shall be given by publication in a newspaper
27 of general circulation in this state at least ten days prior
28 to the date of the referendum and in any other reasonable
29 manner as may be determined by the secretary for the initial
30 referendum and by the board for extension of the promotional
31 order.

32 2. Notice of a special referendum to establish or continue
33 a state assessment for clean water shall be given in the same
34 manner as described in subsection 1.

35 Sec. 73. Section 185.17, Code 2017, is amended to read as

1 follows:

2 **185.17 Contents of notice.**

3 ~~The~~ A notice of referendum described in section 185.16 shall
4 set forth the period of time for voting, voting places and such
5 other information as the secretary may deem necessary in an
6 initial referendum or special referendum. The board shall make
7 such determinations in any subsequent initial referendum or
8 special referendum.

9 Sec. 74. Section 185.18, Code 2017, is amended to read as
10 follows:

11 **185.18 Counting.**

12 At the close of a referendum voting period, the secretary
13 shall count and tabulate the ballots cast during the ~~referendum~~
14 period of the initial referendum or special referendum.

15 Sec. 75. Section 185.20, Code 2017, is amended to read as
16 follows:

17 **185.20 Producers only to vote.**

18 Only producers are eligible to vote in an election for
19 ~~directors or a~~, an initial referendum election, or a special
20 referendum, and only in the district in which they reside.
21 A producer shall sign an affidavit at the time of voting
22 certifying the producer's eligibility to vote. Each qualified
23 producer shall be entitled to one vote.

24 Sec. 76. Section 185.21, Code 2017, is amended to read as
25 follows:

26 **185.21 ~~Assessment~~ State assessments — rates.**

27 1. A state assessment ~~which~~ for direct use that is adopted
28 established upon the initiation of a promotional order shall
29 ~~be collected~~ imposed during the effective period of the
30 promotional order, and shall be of no force or effect upon
31 termination of the promotional order.

32 2. a. The state assessment for direct use collected as part
33 of a promotional order shall be paid into the soybean promotion
34 fund established in section 185.26.

35 b. The state assessment for clean water if established

1 pursuant to section 185.2 or continued pursuant to section
2 185.25 shall be collected by the board and may be deposited
3 in a qualified financial institution until transferred to the
4 clean water fund created in section 466B.51.

5 3. The rate of the state assessment for direct use
6 established as part of a promotional order shall be imposed as
7 follows:

8 a. If the national assessment is being collected, the rate
9 of the state assessment for direct use shall be one-quarter of
10 one percent of the net market price of the soybeans marketed
11 in this state.

12 b. If the national assessment is not being collected, the
13 rate of the state assessment for direct use shall be one-half
14 of one percent of the net market price of soybeans marketed in
15 this state.

16 4. The rate of the state assessment for clean water shall
17 be imposed as follows:

18 a. If the national assessment is being collected, the rate
19 of the state assessment for clean water shall be established
20 by the board at a rate not to exceed the combined rate of the
21 state assessment for direct use and the national assessment as
22 described in subsection 3, paragraph "a".

23 b. If the national assessment is not being collected,
24 the rate of the state assessment for clean water shall be
25 established by the board at a rate not to exceed the rate of
26 the state assessment for direct use as described in subsection
27 3, paragraph "b".

28 Sec. 77. Section 185.22, Code 2017, is amended to read as
29 follows:

30 **185.22 ~~Promotional order~~ Invoice.**

31 1. After a promotional order has been issued, the first
32 purchaser at the time of payment for soybeans shall show the
33 total amount of the state assessment for direct use, and the
34 state assessment for clean water, deducted from the sale on the
35 purchase invoice.

1 2. The board may require the invoice to separately indicate
 2 the amount withheld for the state assessment for direct use
 3 and the state assessment for clean water. The invoice may
 4 correspond to any invoice required to collect the national
 5 assessment.

6 Sec. 78. Section 185.23, Code 2017, is amended to read as
 7 follows:

8 **185.23 Deduction of assessment.**

9 The state assessment for direct use and any state assessment
 10 for clean water shall be deducted from the purchase price of
 11 soybeans at the time of sale, and forwarded to the board by the
 12 first purchaser in the manner and at intervals determined by
 13 the board.

14 Sec. 79. Section 185.24, Code 2017, is amended to read as
 15 follows:

16 **185.24 Termination of a promotional order.**

17 1. If a promotional order is not extended as determined
 18 by a special referendum, the secretary and the board shall
 19 terminate the promotional order in an orderly manner as soon
 20 as practicable. The termination of the promotional order
 21 shall terminate the state assessment for direct use. After
 22 all moneys collected from the state assessment for direct use
 23 are expended, the board shall remain in existence as provided
 24 in its articles of incorporation or bylaws. The directors
 25 shall no longer be elected as required in [this chapter](#). The
 26 ex officio directors shall no longer serve on the board. The
 27 board shall cease to administer [this chapter](#), and the board
 28 shall no longer carry out its duties or exercise its powers
 29 as provided in [this chapter](#). However, if a future initial
 30 referendum passes, the board shall be reorganized by the
 31 secretary and the directors then serving on the board shall be
 32 deemed to be the same directors who served on the board when
 33 the promotional order was terminated. The directors shall
 34 serve out their terms as though there had been no lapse of time
 35 between the two effective orders.

1 2. The termination of the promotional order shall terminate
 2 the state assessment for clean water. The board shall transfer
 3 any remaining moneys collected from the state assessment for
 4 clean water to the clean water fund created in section 466B.51.

5 Sec. 80. Section 185.25, Code 2017, is amended to read as
 6 follows:

7 **185.25 ~~Special referendum~~ referendums — ~~producer petition~~**
 8 **petitions.**

9 1. Upon receipt of a petition described in subsection 3,
 10 the secretary shall call a special referendum to extend the
 11 promotional order including continuing the state assessment for
 12 direct use as part of the promotional order.

13 2. a. Upon receipt of a petition described in subsection 3,
 14 the secretary shall call a special referendum to continue the
 15 state assessment for clean water.

16 b. The secretary shall include as part of the special
 17 referendum conducted under subsection 1 a separate special
 18 question whether to continue the state assessment for clean
 19 water, if the secretary determines the inclusion of the special
 20 question is cost-effective or the petition demands inclusion.

21 3. The secretary shall call a special referendum described
 22 in this section not less than one hundred fifty nor more than
 23 two hundred forty days from a four-year anniversary of the
 24 effective date of an initial promotional order upon receipt
 25 of a petition, signed within that same period by a number of
 26 producers equal to or greater than one percent of the number of
 27 producers reported in the most recent United States census of
 28 agriculture, requesting a the special referendum to determine
 29 ~~whether to extend the promotional order,~~ and the secretary
 30 shall call a the special referendum to be conducted not earlier
 31 than thirty days before the four-year anniversary date.

32 4. a. If the secretary determines that extension of
 33 the promotional order is not favored by a majority of the
 34 producers voting in the special referendum, the promotional
 35 order shall be terminated as provided in section 185.24. The

1 state assessment for clean water if established shall also
2 be terminated. If the promotional order is terminated under
3 this paragraph, another special referendum to reestablish the
4 promotional order shall not be ~~held within~~ conducted for at
5 least one hundred eighty days after the date that the most
6 recent special referendum was conducted.

7 b. If the secretary determines that a continuance of the
8 state assessment for clean water is not favored by a majority
9 of the producers voting in the special referendum, the state
10 assessment shall be terminated as provided in section 185.24.
11 If the state assessment for clean water is terminated under
12 this paragraph, another special referendum establishing the
13 state assessment or another special referendum that includes
14 a separate special question to establish the state assessment
15 shall not be conducted for at least one hundred eighty days
16 after the date that the last special referendum terminating the
17 state assessment was conducted.

18 5. A succeeding special referendum shall be called by the
19 secretary upon the petition of a number of producers equal
20 to or greater than one percent of the number of producers
21 reported in the most recent United States census of agriculture
22 requesting a the special referendum, who shall guarantee the
23 costs of the referendum.

24 6. a. If no valid petition is received by the secretary
25 within the time period described ~~above~~ in subsection 1, or if a
26 petition is received but the special referendum to extend the
27 promotional order passes, the promotional order shall continue
28 in effect for four additional years from the anniversary of its
29 effective date.

30 b. If no valid petition for a special referendum to
31 continue the state assessment for clean water is received by
32 the secretary within the time period described in subsection
33 3, the state assessment shall continue in effect for four
34 additional years from the anniversary of the effective date of
35 the promotional order.

1 Sec. 81. NEW SECTION. 185.25A Special referendum — change
2 in state assessment rate for clean water.

3 1. If a national assessment is imposed and upon receipt
4 of a petition that otherwise complies with the requirements
5 of section 185.25, the secretary shall conduct a special
6 referendum to change the rate of the state assessment for
7 clean water established by the board at a rate not to exceed
8 the combined rate of the national assessment and the state
9 assessment for direct use as provided in section 185.21,
10 subsection 3, paragraph "a". The special referendum shall be
11 conducted in the same manner as a special referendum conducted
12 pursuant to section 185.25. However, the special referendum
13 may be conducted in the same manner and in conjunction with a
14 referendum to change the rate of the national assessment, to
15 the extent permitted by federal law.

16 2. If a national assessment is not imposed and upon receipt
17 of a petition that otherwise complies with the requirements
18 of section 185.25, the secretary shall conduct a special
19 referendum to change the rate of the state assessment for clean
20 water established by the board to a rate not to exceed the rate
21 of the state assessment for direct use as provided in section
22 185.21, subsection 3, paragraph "b". The special referendum
23 shall be conducted in the same manner as a special referendum
24 conducted pursuant to section 185.25.

25 3. If a special referendum or special question to change
26 the rate of the state assessment for clean water does not pass,
27 the result of the vote shall not affect the existence or period
28 during which the state assessment is in effect.

29 Sec. 82. Section 185.26, Code 2017, is amended to read as
30 follows:

31 **185.26 Administration of moneys.**

32 1. a. The Moneys from a state assessment for direct use
33 imposed as part of a promotional order and collected by the
34 board shall be deposited in a special fund known as the soybean
35 promotion fund, in the office of the treasurer of state. The

1 fund may also ~~contain~~ include any gifts or federal or state
 2 grant received by the board. ~~Moneys~~ The moneys collected,
 3 deposited into the fund, and transferred to the board, as
 4 provided in this chapter, shall be subject to audit by the
 5 auditor of state.

6 b. The department of administrative services shall
 7 transfer moneys from the fund to the board for deposit into an
 8 account known as the soybean checkoff account which shall be
 9 established by the board in a qualified financial institution.
 10 The department shall transfer the moneys into the account as
 11 provided in a resolution adopted by the board. However, the
 12 department is only required to transfer moneys once during each
 13 day and only during hours when the offices of the state are
 14 open.

15 c. From moneys collected, deposited, and transferred to the
 16 soybean checkoff account as provided in this section, the board
 17 shall first pay the costs of initial and special referendums,
 18 elections, and other expenses incurred in the administration of
 19 this chapter, before moneys may be expended to carry out the
 20 purposes of the board as provided in section 185.11. The board
 21 shall strictly segregate moneys in the soybean checkoff account
 22 from all other moneys of the board. Moneys in the soybean
 23 checkoff account shall be expended by the board exclusively for
 24 carrying out the purposes of the board as provided in section
 25 185.11. The account shall be subject to audit by the auditor
 26 of state.

27 2. Moneys from a state assessment for clean water collected
 28 by the board may be deposited in a qualified financial
 29 institution and shall be transferred to the clean water fund
 30 created in section 466B.51.

31 ~~2.~~ 3. The fiscal year of the association shall commence on
 32 October 1 and end on September 30.

33 Sec. 83. Section 185.27, Code 2017, is amended to read as
 34 follows:

35 **185.27 Refund of assessment.**

1 1. a. A producer who has sold soybeans and had the state
 2 assessment for direct use deducted from the sale price may, by
 3 application in writing to the board, secure a refund in the
 4 amount deducted. The refund shall be payable only when the
 5 application is made to the board within sixty days after the
 6 deduction.

7 b. A producer who has sold soybeans and had the state
 8 assessment for clean water deducted from the sale price may,
 9 by application in writing to the board, secure a refund of the
 10 amount deducted payable by the division of soil conservation
 11 and water quality of the department of agriculture and land
 12 stewardship. The board shall forward approved applications to
 13 the division within sixty days after the deduction.

14 2. Application forms shall be given by the board to
 15 each first purchaser when requested and the first purchaser
 16 shall make the applications available to any producer. Each
 17 application for refund by a producer shall have attached
 18 thereto proof of assessment deducted. The proof of assessment
 19 may be in the form of a duplicate or certified copy of the
 20 purchase invoice by the first purchaser. ~~The board shall~~
 21 ~~have thirty days from the date the application for refund is~~
 22 ~~received to remit the refund to the producer.~~ The form shall
 23 allow the applicant to elect whether the refund is for the
 24 state assessment for direct use or for the state assessment
 25 for clean water or both. The board shall not approve an
 26 application unless the application indicates the election.

27 Sec. 84. Section 185.28, Code 2017, is amended to read as
 28 follows:

29 **185.28 Use of moneys — appropriation.**

30 1. All moneys collected, deposited, and transferred to the
 31 board as provided in **this chapter**, are appropriated and shall
 32 be used for the administration of **this chapter** by the board and
 33 for the payment of claims by the board based upon obligations
 34 incurred in the performance of board activities and functions
 35 provided in **this chapter**.

1 2. Except as expressly provided in this chapter, moneys
 2 collected from the state assessment for clean water under this
 3 section shall not be used for any purpose other than to be
 4 transferred to the clean water fund created in section 466B.51.

5 Sec. 85. Section 185.29, Code 2017, is amended to read as
 6 follows:

7 **185.29 Remission of remaining moneys.**

8 1. After the board has paid the costs of elections,
 9 referendum, necessary board expenses, and administrative costs,
 10 the remaining moneys collected, deposited in the soybean
 11 promotion fund, and transferred to the soybean checkoff account
 12 as provided in section 185.26 shall be expended by the board as
 13 is necessary to carry out its purposes as provided in section
 14 185.11.

15 2. Notwithstanding subsection 1, moneys collected from
 16 a state assessment for clean water by the board shall be
 17 transferred to the clean water fund created in section 466B.51.

18 Sec. 86. Section 185.33, Code 2017, is amended to read as
 19 follows:

20 **185.33 Report.**

21 The board shall each year prepare and submit a report
 22 summarizing the activities of the board under this chapter to
 23 the auditor of state and the secretary of agriculture. The
 24 report shall show all income, expenses, and other relevant
 25 information concerning fees state assessments for direct use
 26 collected and expended under the provisions of this chapter.

27 DIVISION VIII

28 IOWA CORN PROMOTION BOARD

29 Sec. 87. Section 185C.1, subsection 17, Code 2017, is
 30 amended to read as follows:

31 17. "*State assessment*" means a state excise tax on each
 32 bushel of corn marketed in this state which is imposed ~~as part~~
 33 ~~of a promotional order to administer~~ this chapter pursuant to a
 34 state assessment for direct use or a state assessment for clean
 35 water.

1 Sec. 88. Section 185C.2, Code 2017, is amended to read as
2 follows:

3 **185C.2 ~~Petition for election~~ Referendums.**

4 1. Upon receipt of a petition signed by at least five
5 hundred producers requesting an initial referendum ~~election~~
6 to determine whether a promotional order shall be placed in
7 effect, the secretary shall call an initial referendum ~~election~~
8 to be conducted within sixty days following receipt of the
9 petition. Producers shall vote by written ballot in the manner
10 provided by ~~this chapter~~ for a referendum elections to approve
11 the passage of a promotional order.

12 2. a. If a promotional order is placed into effect, and
13 upon receipt of a petition that otherwise complies with the
14 requirements of subsection 1, the secretary shall conduct a
15 special referendum to establish a state assessment for clean
16 water.

17 b. Upon receipt of a petition that otherwise complies with
18 the requirements of subsection 1, the secretary shall include
19 as part of the initial referendum a separate special question
20 whether to establish a state assessment for clean water as
21 described in this section, if the secretary determines the
22 inclusion of the special question is cost-effective or the
23 petition demands inclusion.

24 Sec. 89. Section 185C.3, Code 2017, is amended to read as
25 follows:

26 **185C.3 Establishment of corn promotion board.**

27 If a majority of the producers voting in ~~the~~ an initial
28 referendum election conducted pursuant to section 185C.2
29 approve the passage of the promotional order, an Iowa corn
30 promotion board shall be established.

31 Sec. 90. Section 185C.11, subsection 1, Code 2017, is
32 amended by adding the following new paragraph:

33 NEW PARAGRAPH. j. Cooperate with the division of soil
34 conservation and water quality of the department of agriculture
35 and land stewardship in doing all of the following:

1 (1) Transferring moneys collected from the state assessment
2 for clean water to the clean water fund created in section
3 466B.51.

4 (2) Being reimbursed for reasonable expenses incurred
5 in conducting an initial or special referendum to establish,
6 continue, or terminate a state assessment for clean water.

7 Sec. 91. Section 185C.11A, Code 2017, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 5. The board shall not expend moneys
10 collected from the state assessment for clean water to support
11 the program.

12 Sec. 92. Section 185C.15, Code 2017, is amended to read as
13 follows:

14 **185C.15 Term of promotional order — automatic extension.**

15 A promotional order shall be effective for four years from
16 its effective date. Upon the date that ~~an~~ the promotional
17 order is due to expire the order shall automatically be
18 extended for an additional four years from the date that the
19 order or last extension would otherwise expire, except as
20 provided in section 185C.24. A state assessment for clean
21 water shall continue for the same period as the promotional
22 order unless the state assessment for clean water is terminated
23 as provided in section 185C.24.

24 Sec. 93. Section 185C.21, Code 2017, is amended to read as
25 follows:

26 **185C.21 State ~~assessment~~ assessments — rates.**

27 1. The board shall determine and set the rate of the state
28 assessment rate for direct use as part of the promotional
29 order. ~~State assessments~~ A state assessment for direct use
30 collected pursuant to the promotional order shall be paid
31 into the corn promotion fund established in section 185C.26.
32 Except as provided in ~~subsection 2~~ subsections 2 and 3, a state
33 assessment shall not exceed one-quarter of one cent per bushel
34 upon corn marketed in this state.

35 2. Upon request of the board, the secretary shall call

1 a special referendum for producers to vote on whether to
 2 authorize an increase in the rate of the state assessment
 3 for direct use above one-quarter of one cent per bushel,
 4 notwithstanding subsection 1. The special referendum shall be
 5 conducted as provided in this chapter for ~~referendum elections~~
 6 referendums. However, the special referendum shall not affect
 7 the existence or length of the promotional order in effect. If
 8 a majority of the producers voting in the special referendum
 9 approve the increase, the board may increase the assessment to
 10 the amount approved in the special referendum. The board shall
 11 establish the effective date of a rate change. However, the
 12 rate of a state assessment for direct use shall not exceed a
 13 scheduled maximum rate determined as follows:

14 a. Before September 1, 2014, one cent.

15 b. For each marketing year of the period beginning September
 16 1, 2014, and ending August 31, 2019, two cents.

17 c. For each marketing year beginning on and after September
 18 1, 2019, three cents.

19 3. The rate of the state assessment for clean water shall
 20 be established by the board not to exceed the rate of the
 21 state assessment for direct use in effect on the date that the
 22 special referendum establishing the state assessment for clean
 23 water is approved.

24 4. a. Upon request of the board, the secretary shall
 25 call a special referendum for producers to vote on whether to
 26 authorize an increase in the state assessment for clean water
 27 to be established by the board at a rate not to exceed the rate
 28 in effect under subsection 2. The special referendum shall be
 29 conducted in the same manner as provided in that subsection.

30 b. Upon request of the board, the secretary shall include
 31 as part of the special referendum conducted under subsection
 32 2 a separate special question whether to increase the rate
 33 of the state assessment for clean water to be established by
 34 the board at a rate not to exceed the rate of the proposed
 35 increased amount of the state assessment for direct use, if the

1 secretary determines the inclusion of the special question is
2 cost-effective or the request demands inclusion.

3 Sec. 94. Section 185C.22, Code 2017, is amended to read as
4 follows:

5 **185C.22 State ~~assessment~~ assessments on purchase invoice.**

6 1. After a promotional order has been issued, the first
7 purchaser at the time of payment for corn shall show the
8 total amount of state assessment for direct use and the state
9 assessment for clean water deducted from the sale on the
10 purchase invoice.

11 2. The board may require the invoice to separately indicate
12 the amount withheld for the state assessment for direct use
13 and the state assessment for clean water. The invoice may
14 correspond to any invoice required to collect the federal
15 assessment pursuant to section 185C.25A.

16 Sec. 95. Section 185C.24, Code 2017, is amended to read as
17 follows:

18 **185C.24 Cancellation, and suspension, and termination.**

19 1. The board shall be suspended and board operations and
20 terms of members shall cease upon either of the following
21 events:

22 a. The state assessment for direct use is terminated
23 pursuant to section 185C.25.

24 b. The state assessment for direct use is suspended pursuant
25 to section 185C.25A.

26 2. However, notwithstanding subsection 1, the board shall
27 continue to operate until proceeds remaining in the corn
28 promotion fund are disbursed. Disbursement shall be made as
29 provided for payment of moneys under section 185C.26.

30 3. If a state assessment for direct use and the federal
31 assessment are not imposed, the board shall continue to
32 transfer remaining moneys collected from the state assessment
33 for clean water to the clean water fund created in section
34 466B.51.

35 ~~3.~~ 4. The secretary shall order that the board be

1 reconstituted upon either of the following events:

2 a. Recommencement of the promotional order, pursuant to
3 section 185C.25.

4 b. Termination of the promotional order's suspension,
5 pursuant to [section 185C.25A](#).

6 ~~4.~~ 5. Until the board is reconstituted under section
7 185C.8, the secretary has the powers to perform the duties of
8 the board as provided in [this chapter](#), including the collection
9 of the state assessment for direct use at the rate in effect
10 on the date when collection of the state assessment for direct
11 use was terminated pursuant to [section 185C.25](#). However, the
12 secretary shall not expend ~~funds~~ moneys collected from the
13 state assessment for direct use.

14 6. Until the board is reconstituted, the secretary may
15 collect the state assessment for clean water equal to the rate
16 when the state assessment for clean water was terminated. The
17 secretary shall transfer the collected moneys to the clean
18 water fund created in section 466B.51.

19 Sec. 96. Section 185C.25, Code 2017, is amended to read as
20 follows:

21 **185C.25 Effective period of promotional order and state**
22 **assessments — special referendums — termination.**

23 1. a. A state assessment for direct use adopted upon the
24 initiation of a promotional order shall be collected during the
25 effective period of the order, and shall have no effect upon
26 termination of the promotional order.

27 b. A state assessment for clean water if established shall
28 be collected during the effective period of the promotional
29 order, and shall have no effect upon the termination of the
30 promotional order. However, the state assessment for clean
31 water shall still be collected during any period in which a
32 federal assessment is collected, unless the state assessment is
33 terminated under this section.

34 2. Upon adoption or extension of the promotional order, the
35 order shall be effective for the period described in section

1 185C.15 unless the order is terminated as provided in this
 2 section or suspended as provided in [section 185C.25A](#).

3 ~~2.~~ 3. The secretary shall call a special referendum to
 4 terminate the promotional order including the state assessment
 5 for direct use imposed as part of the promotional order, and
 6 the state assessment for clean water if established.

7 4. a. The secretary shall call, as provided in subsection
 8 5, a special referendum to terminate the state assessment for
 9 clean water if established.

10 b. The secretary shall include as part of the special
 11 referendum conducted under subsection 3, a separate special
 12 question whether to terminate the state assessment for clean
 13 water, if the secretary determines the inclusion of the
 14 special question is cost-effective or the petition described in
 15 subsection 5 demands inclusion.

16 5. The secretary shall call a special referendum under this
 17 section if all the following conditions are met:

18 a. The secretary receives a petition signed by at least five
 19 percent of the state's producers reported in the most recent
 20 United States census of agriculture.

21 b. The petition is signed by at least five percent of the
 22 state's producers residing in each of five districts according
 23 to the most recent United States census of agriculture.

24 c. The secretary receives the petition not less than one
 25 hundred fifty days from the date that the order is due to
 26 expire, but receives the petition not more than two hundred
 27 forty days before the date that the order is due to expire.

28 ~~3.~~ 6. a. The secretary shall conduct the ~~election as~~
 29 ~~provided for a~~ special referendum to terminate the promotional
 30 order including the state assessment for direct use and the
 31 state assessment for clean water in the same manner as an
 32 initial referendum conducted under [this chapter](#), including
 33 sections 185C.16 through 185C.20.

34 b. The secretary shall conduct the special referendum to
 35 terminate the state assessment for clean water in the same

1 manner as an initial referendum conducted under this chapter,
 2 including sections 185C.16 through 185C.20.

3 7. a. If upon counting and tabulating the ballots, the
 4 secretary determines that a majority of voting producers ~~favor~~
 5 favours termination of the state assessment for direct use, the
 6 secretary, in cooperation with the board, shall terminate the
 7 state assessment for direct use in an orderly manner as soon
 8 as practicable.

9 b. If upon counting and tabulating the ballots, the
 10 secretary determines that a majority of voting producers favours
 11 termination of the state assessment for clean water, the
 12 secretary, in cooperation with the board, shall terminate the
 13 state assessment for clean water in an orderly manner as soon
 14 as practicable.

15 ~~4.~~ 8. a. If ~~the~~ a state assessment for direct use is
 16 terminated, ~~another~~ an initial referendum shall not be held
 17 conducted for at least one hundred eighty days from the date
 18 that the state assessment is terminated.

19 b. If a state assessment for clean water is terminated,
 20 another special referendum or another special referendum
 21 which includes a separate special question to establish a
 22 state assessment shall not be conducted for at least one
 23 hundred eighty days from the date that the state assessment is
 24 terminated.

25 9. A succeeding special referendum to restore the state
 26 assessment for direct use shall be called by the secretary
 27 upon receipt of a petition of at least five hundred producers
 28 requesting a the special referendum. The petitioners shall
 29 guarantee the costs of the succeeding referendum. The
 30 secretary shall conduct the ~~election~~ special referendum as
 31 provided for a an initial referendum under ~~this chapter~~
 32 section 185C.2 not later than one hundred fifty days after
 33 the secretary receives the petition. If a referendum ~~held~~
 34 conducted pursuant to this subsection is approved by producers,
 35 the promotional order shall commence no later than two hundred

1 ten days following the date that the petition is received by
2 the secretary.

3 10. a. A succeeding special referendum to restore the state
4 assessment for clean water shall be called by the secretary
5 upon petition that otherwise complies with a petition to
6 restore the state assessment for direct use under subsection 9.
7 The secretary shall conduct the succeeding special referendum
8 in the same manner as a succeeding special referendum conducted
9 under that subsection. If a special referendum conducted
10 pursuant to this paragraph is approved by producers, the state
11 assessment for clean water shall commence not later than two
12 hundred ten days following the date that the petition is
13 received by the secretary.

14 b. Upon receipt of a petition that otherwise complies
15 with a petition to restore the state assessment for direct
16 use under subsection 9, the secretary shall include as part
17 of the succeeding special referendum conducted under that
18 subsection a separate special question whether to restore the
19 state assessment for clean water, if the secretary determines
20 the inclusion of the special question is cost-effective or the
21 request demands inclusion.

22 Sec. 97. Section 185C.25A, Code 2017, is amended to read as
23 follows:

24 **185C.25A Collection of federal assessment.**

25 1. a. Prior to the collection of the federal assessment,
26 the board may approve the continued collection of the state
27 assessment for direct use as part of the promotional order
28 during the collection of the federal assessment.

29 b. If a federal assessment is collected, the state
30 assessment for clean water, if established, shall continue to
31 be imposed until terminated under section 185C.25.

32 2. If the ~~collection of~~ amount collected from the state
33 assessment for direct use would be in addition to, and not an
34 offset against, the ~~collection of~~ amount collected from the
35 federal assessment, the board shall suspend the collection

1 of the state assessment. On the date of the termination or
 2 suspension of the federal assessment, the promotional order
 3 shall recommence and the suspension of the state assessment for
 4 direct use shall terminate. The termination or suspension of
 5 the federal assessment shall not affect the state assessment
 6 for clean water.

7 Sec. 98. Section 185C.26, Code 2017, is amended to read as
 8 follows:

9 **185C.26 Deposit of moneys — corn promotion fund —**
 10 **administration of moneys.**

11 1. a. A Moneys from a state assessment for direct use
 12 imposed as part of a promotional order and collected by the
 13 board from a sale of corn shall be deposited in the office of
 14 the treasurer of state in a special fund known as the corn
 15 promotion fund. The corn promotion fund may also include
 16 any gifts, rents, royalties, interest, license fees, or a
 17 federal or state grant received by the board. ~~Moneys~~ The
 18 moneys collected, deposited in the corn promotion fund, and
 19 transferred to the board as provided in this chapter shall be
 20 subject to audit by the auditor of state. The auditor of state
 21 may seek reimbursement for the cost of the audit from moneys
 22 deposited in the fund as provided in this chapter.

23 b. The department of administrative services shall transfer
 24 moneys from the corn promotion fund to the board for deposit
 25 into an account established by the board in a qualified
 26 financial institution. The department shall transfer the
 27 moneys as provided in a resolution adopted by the board.
 28 However, the department is only required to transfer moneys
 29 once during each day and only during hours when the offices of
 30 the state are open.

31 c. From moneys collected, the board shall first pay all
 32 the direct and indirect costs incurred by the secretary and
 33 the costs of initial and special referendums, elections, and
 34 other expenses incurred in the administration of this chapter,
 35 before moneys may be expended to carry out the purposes of this

1 chapter as provided in section 185C.11.

2 2. Moneys from a state assessment for clean water collected
 3 by the board may be deposited in a qualified financial
 4 institution and shall be transferred to the clean water fund
 5 created in section 466B.51.

6 Sec. 99. Section 185C.27, Code 2017, is amended to read as
 7 follows:

8 **185C.27 Refund of assessment state assessments.**

9 1. a. A producer who has sold corn and had a state
 10 assessment for direct use deducted from the sale price, by
 11 application in writing to the board, may secure a refund in the
 12 amount deducted. The refund shall be payable only when the
 13 application shall have been made to the board within sixty days
 14 after the deduction. The board shall have thirty days from the
 15 date the application for refund is received to remit the refund
 16 to the producer.

17 b. A producer who has sold corn and had the state
 18 assessment for clean water deducted from the sale price may,
 19 by application in writing to the board, secure a refund of the
 20 amount deducted payable by the division of soil conservation
 21 and water quality of the department of agriculture and land
 22 stewardship. The board shall forward approved applications to
 23 the division within sixty days after the deduction.

24 2. Application forms shall be given by the board to
 25 each first purchaser when requested and the first purchaser
 26 shall make the applications available to any producer. Each
 27 application for refund by a producer shall have attached to
 28 the application proof of the state assessment deducted. The
 29 proof of state assessment may be in the form of a duplicate
 30 or certified copy of the purchase invoice by the first
 31 purchaser. The board shall have thirty days from the date the
 32 application for refund is received to remit the refund to the
 33 producer. The form shall allow the applicant to elect whether
 34 the refund is for the state assessment for direct use or the
 35 state assessment for clean water or both. The board shall not

1 approve an application unless the application indicates the
2 election.

3 3. a. The board may provide for refunds of a federal
4 assessment as provided by federal law. Unless inconsistent
5 with federal law, refunds shall be made under [section 185C.26](#).

6 b. The board may provide for filing applications for a
7 refund of the state assessment for direct use and the state
8 assessment for clean water based on applicable procedures
9 for the filing of applications for refunds of the federal
10 assessment.

11 Sec. 100. Section 185C.29, subsection 1, Code 2017, is
12 amended to read as follows:

13 1. After the direct and indirect costs incurred by the
14 secretary and the costs of elections, referendums, necessary
15 board expenses, and administrative costs have been paid, at
16 least seventy-five percent of the remaining moneys from a
17 state assessment for direct use shall be deposited in the corn
18 promotion fund and shall be used to carry out the purposes of
19 the board as provided in [section 185C.11](#).

20 Sec. 101. Section 185C.33, Code 2017, is amended to read as
21 follows:

22 **185C.33 Report.**

23 The board shall each year prepare and submit a report
24 summarizing the activities of the board under [this chapter](#) to
25 the auditor of state and the secretary ~~of agriculture~~. The
26 report shall show all income, expenses, and other relevant
27 information concerning fees the state assessment for direct use
28 collected and expended under the provisions of [this chapter](#).

29 DIVISION IX

30 CLEAN WATER FUND

31 Sec. 102. NEW SECTION. **7D.10B Payment to the clean water**
32 **fund.**

33 If moneys are not sufficient to reimburse the department of
34 agriculture and land stewardship or a commodity organization
35 described in section 466B.51 for reasonable expenses incurred

1 in conducting a referendum to establish, continue, or terminate
 2 a state assessment for clean water, the executive council may
 3 authorize as an expense paid from the appropriations addressed
 4 in section 7D.29 the payment of an amount to the clean water
 5 fund created in section 466B.51. However, not more than a
 6 total of one hundred thousand dollars shall be paid pursuant
 7 to this section to the fund at any one time to pay for expenses
 8 incurred in conducting a referendum.

9 Sec. 103. Section 423.2, subsections 1, 2, 3, 4, 5, 7, 8, 9,
 10 and 14, Code 2017, are amended to read as follows:

11 1. a. There is imposed a tax of six percent upon the sales
 12 price of all sales of tangible personal property, consisting
 13 of goods, wares, or merchandise, sold at retail in the state
 14 to consumers or users except as otherwise provided in this
 15 subchapter. This paragraph is repealed on the date that
 16 paragraph "b" takes effect.

17 b. There is imposed a tax of six and one-eighth percent upon
 18 the sales price of all sales of tangible personal property,
 19 consisting of goods, wares, or merchandise, sold at retail in
 20 the state to consumers or users except as otherwise provided
 21 in this subchapter. This paragraph takes effect on July 1 of
 22 the fiscal year in which the department receives the first
 23 certification that commodity organizations have collected
 24 twenty million dollars from clean water assessments during the
 25 preceding fiscal year as provided in section 466B.55. This
 26 paragraph is repealed on the date that paragraph "c" takes
 27 effect.

28 c. There is imposed a tax of six and two-eighths percent
 29 upon the sales price of all sales of tangible personal
 30 property, consisting of goods, wares, or merchandise, sold at
 31 retail in the state to consumers or users except as otherwise
 32 provided in this subchapter. This paragraph takes effect on
 33 July 1 of the fiscal year in which the department receives
 34 the second certification that commodity organizations have
 35 collected twenty million dollars from clean water assessments

1 during the preceding fiscal year as provided in section
 2 466B.55. This paragraph is repealed on the date that paragraph
 3 "d" takes effect.

4 d. There is imposed a tax of six and three-eighths percent
 5 upon the sales price of all sales of tangible personal
 6 property, consisting of goods, wares, or merchandise, sold at
 7 retail in the state to consumers or users except as otherwise
 8 provided in [this subchapter](#). This paragraph takes effect on
 9 July 1 of the fiscal year in which the department receives the
 10 third certification that commodity organizations have collected
 11 twenty million dollars from clean water assessments during the
 12 preceding fiscal year as provided in section 466B.55.

13 ~~a.~~ e. For the purposes of [this subchapter](#), sales of
 14 the following services are treated as if they were sales of
 15 tangible personal property:

16 (1) Sales of engraving, photography, retouching, printing,
 17 and binding services.

18 (2) Sales of vulcanizing, recapping, and retreading
 19 services.

20 (3) Sales of prepaid calling services and prepaid wireless
 21 calling services.

22 (4) Sales of optional service or warranty contracts, except
 23 residential service contracts regulated under [chapter 523C](#),
 24 which provide for the furnishing of labor and materials and
 25 require the furnishing of any taxable service enumerated under
 26 this section. The sales price is subject to tax even if some of
 27 the services furnished are not enumerated under [this section](#).
 28 Additional sales, services, or use taxes shall not be levied
 29 on services, parts, or labor provided under optional service
 30 or warranty contracts which are subject to tax under this
 31 subsection.

32 (5) Sales of optional service or warranty contracts for
 33 computer software maintenance or support services.

34 (a) If a service or warranty contract does not specify a fee
 35 amount for nontaxable services or taxable personal property,

1 the tax imposed pursuant to [this section](#) shall be imposed upon
2 an amount equal to one-half of the sales price of the contract.

3 (b) If a service or warranty contract provides only for
4 technical support services, no tax shall be imposed pursuant to
5 this section.

6 (6) Subparagraphs (4) and (5) shall also apply to the use
7 tax imposed under [section 423.5](#).

8 ~~b.~~ f. Sales of building materials, supplies, and equipment
9 to owners, contractors, subcontractors, or builders for the
10 erection of buildings or the alteration, repair, or improvement
11 of real property are retail sales of tangible personal property
12 in whatever quantity sold. Where the owner, contractor,
13 subcontractor, or builder is also a retailer holding a retail
14 sales tax permit and transacting retail sales of building
15 materials, supplies, and equipment, the person shall purchase
16 such items of tangible personal property without liability for
17 the tax if such property will be subject to the tax at the
18 time of resale or at the time it is withdrawn from inventory
19 for construction purposes. The sales tax shall be due in the
20 reporting period when the materials, supplies, and equipment
21 are withdrawn from inventory for construction purposes or
22 when sold at retail. The tax shall not be due when materials
23 are withdrawn from inventory for use in construction outside
24 of Iowa and the tax shall not apply to tangible personal
25 property purchased and consumed by the manufacturer as building
26 materials in the performance by the manufacturer or its
27 subcontractor of construction outside of Iowa. The sale of
28 carpeting is not a sale of building materials. The sale of
29 carpeting to owners, contractors, subcontractors, or builders
30 shall be treated as the sale of ordinary tangible personal
31 property and subject to the tax imposed under [this subsection](#)
32 and the use tax.

33 ~~e.~~ g. The use within this state of tangible personal
34 property by the manufacturer thereof, as building materials,
35 supplies, or equipment, in the performance of construction

1 contracts in Iowa, shall, for the purpose of [this subchapter](#),
2 be construed as a sale at retail of tangible personal property
3 by the manufacturer who shall be deemed to be the consumer of
4 such tangible personal property. The tax shall be computed
5 upon the cost to the manufacturer of the fabrication or
6 production of the tangible personal property.

7 2. a. A tax of six percent is imposed upon the sales price
8 of the sale or furnishing of gas, electricity, water, heat,
9 pay television service, and communication service, including
10 the sales price from such sales by any municipal corporation
11 or joint water utility furnishing gas, electricity, water,
12 heat, pay television service, and communication service to
13 the public in its proprietary capacity, except as otherwise
14 provided in [this subchapter](#), when sold at retail in the state
15 to consumers or users. This paragraph is repealed on the date
16 that paragraph "b" takes effect.

17 b. A tax of six and one-eighth percent is imposed upon the
18 sales price of the sale or furnishing of gas, electricity,
19 water, heat, pay television service, and communication service,
20 including the sales price from such sales by any municipal
21 corporation or joint water utility furnishing gas, electricity,
22 water, heat, pay television service, and communication service
23 to the public in its proprietary capacity, except as otherwise
24 provided in [this subchapter](#), when sold at retail in the state
25 to consumers or users. This paragraph takes effect on July 1
26 of the fiscal year in which the department receives the first
27 certification that commodity organizations have collected
28 twenty million dollars from clean water assessments during the
29 preceding fiscal year as provided in section 466B.55. This
30 paragraph is repealed on the date that paragraph "c" takes
31 effect.

32 c. A tax of six and two-eighths percent is imposed upon
33 the sales price of the sale or furnishing of gas, electricity,
34 water, heat, pay television service, and communication service,
35 including the sales price from such sales by any municipal

1 corporation or joint water utility furnishing gas, electricity,
2 water, heat, pay television service, and communication service
3 to the public in its proprietary capacity, except as otherwise
4 provided in [this subchapter](#), when sold at retail in the state
5 to consumers or users. This paragraph takes effect on July 1
6 of the fiscal year in which the department receives the second
7 certification that commodity organizations have collected
8 twenty million dollars from clean water assessments during the
9 preceding fiscal year as provided in section 466B.55. This
10 paragraph is repealed on the date that paragraph "d" takes
11 effect.

12 d. A tax of six and three-eighths percent is imposed upon
13 the sales price of the sale or furnishing of gas, electricity,
14 water, heat, pay television service, and communication service,
15 including the sales price from such sales by any municipal
16 corporation or joint water utility furnishing gas, electricity,
17 water, heat, pay television service, and communication service
18 to the public in its proprietary capacity, except as otherwise
19 provided in [this subchapter](#), when sold at retail in the state
20 to consumers or users. This paragraph takes effect on July 1
21 of the fiscal year in which the department receives the third
22 certification that commodity organizations have collected
23 twenty million dollars from clean water assessments during the
24 preceding fiscal year as provided in section 466B.55.

25 3. a. A tax of six percent is imposed upon the sales price
26 of all sales of tickets or admissions to places of amusement,
27 fairs, and athletic events except those of elementary and
28 secondary educational institutions. A tax of six percent is
29 imposed on the sales price of an entry fee or like charge
30 imposed solely for the privilege of participating in an
31 activity at a place of amusement, fair, or athletic event
32 unless the sales price of tickets or admissions charges for
33 observing the same activity are taxable under [this subchapter](#).
34 A tax of six percent is imposed upon that part of private
35 club membership fees or charges paid for the privilege of

1 participating in any athletic sports provided club members.
2 This paragraph is repealed on the date that paragraph "b" takes
3 effect.

4 b. A tax of six and one-eighth percent is imposed upon the
5 sales price of all sales of tickets or admissions to places
6 of amusement, fairs, and athletic events except those of
7 elementary and secondary educational institutions. A tax of
8 six and one-eighth percent is imposed on the sales price of an
9 entry fee or like charge imposed solely for the privilege of
10 participating in an activity at a place of amusement, fair, or
11 athletic event unless the sales price of tickets or admissions
12 charges for observing the same activity are taxable under this
13 subchapter. A tax of six and one-eighth percent is imposed
14 upon that part of private club membership fees or charges paid
15 for the privilege of participating in any athletic sports
16 provided club members. This paragraph takes effect on July 1
17 of the fiscal year in which the department receives the first
18 certification that commodity organizations have collected
19 twenty million dollars from clean water assessments during the
20 preceding fiscal year as provided in section 466B.55. This
21 paragraph is repealed on the date that paragraph "c" takes
22 effect.

23 c. A tax of six and two-eighths percent is imposed upon the
24 sales price of all sales of tickets or admissions to places
25 of amusement, fairs, and athletic events except those of
26 elementary and secondary educational institutions. A tax of
27 six and two-eighths percent is imposed on the sales price of an
28 entry fee or like charge imposed solely for the privilege of
29 participating in an activity at a place of amusement, fair, or
30 athletic event unless the sales price of tickets or admissions
31 charges for observing the same activity are taxable under this
32 subchapter. A tax of six and two-eighths percent is imposed
33 upon that part of private club membership fees or charges paid
34 for the privilege of participating in any athletic sports
35 provided club members. This paragraph takes effect on July 1

1 of the fiscal year in which the department receives the second
2 certification that commodity organizations have collected
3 twenty million dollars from clean water assessments during the
4 preceding fiscal year as provided in section 466B.55. This
5 paragraph is repealed on the date that paragraph "d" takes
6 effect.

7 d. A tax of six and three-eighths percent is imposed upon
8 the sales price of all sales of tickets or admissions to places
9 of amusement, fairs, and athletic events except those of
10 elementary and secondary educational institutions. A tax of
11 six and three-eighths percent is imposed on the sales price of
12 an entry fee or like charge imposed solely for the privilege
13 of participating in an activity at a place of amusement,
14 fair, or athletic event unless the sales price of tickets or
15 admissions charges for observing the same activity are taxable
16 under [this subchapter](#). A tax of six and three-eighths percent
17 is imposed upon that part of private club membership fees or
18 charges paid for the privilege of participating in any athletic
19 sports provided club members. This paragraph takes effect on
20 July 1 of the fiscal year in which the department receives the
21 third certification that commodity organizations have collected
22 twenty million dollars from clean water assessments during the
23 preceding fiscal year as provided in section 466B.55.

24 4. a. A tax of six percent is imposed upon the sales price
25 derived from the operation of all forms of amusement devices
26 and games of skill, games of chance, raffles, and bingo games
27 as defined in [chapter 99B](#), and card game tournaments conducted
28 under [section 99B.27](#), that are operated or conducted within the
29 state, the tax to be collected from the operator in the same
30 manner as for the collection of taxes upon the sales price of
31 tickets or admission as provided in [this section](#). Nothing in
32 this subsection shall legalize any games of skill or chance or
33 slot-operated devices which are now prohibited by law. This
34 paragraph is repealed on the date that paragraph "b" takes
35 effect.

1 b. A tax of six and one-eighth percent is imposed upon
2 the sales price derived from the operation of all forms of
3 amusement devices and games of skill, games of chance, raffles,
4 and bingo games as defined in [chapter 99B](#), and card game
5 tournaments conducted under [section 99B.27](#), that are operated
6 or conducted within the state, the tax to be collected from
7 the operator in the same manner as for the collection of taxes
8 upon the sales price of tickets or admission as provided in
9 [this section](#). Nothing in [this subsection](#) shall legalize any
10 games of skill or chance or slot-operated devices which are
11 now prohibited by law. This paragraph takes effect on July 1
12 of the fiscal year in which the department receives the first
13 certification that commodity organizations have collected
14 twenty million dollars from clean water assessments during the
15 preceding fiscal year as provided in section 466B.55. This
16 paragraph is repealed on the date that paragraph "c" takes
17 effect.

18 c. A tax of six and two-eighths percent is imposed upon
19 the sales price derived from the operation of all forms of
20 amusement devices and games of skill, games of chance, raffles,
21 and bingo games as defined in [chapter 99B](#), and card game
22 tournaments conducted under [section 99B.27](#), that are operated
23 or conducted within the state, the tax to be collected from
24 the operator in the same manner as for the collection of taxes
25 upon the sales price of tickets or admission as provided in
26 [this section](#). Nothing in [this subsection](#) shall legalize any
27 games of skill or chance or slot-operated devices which are
28 now prohibited by law. This paragraph takes effect on July 1
29 of the fiscal year in which the department receives the second
30 certification that commodity organizations have collected
31 twenty million dollars from clean water assessments during the
32 preceding fiscal year as provided in section 466B.55. This
33 paragraph is repealed on the date that paragraph "d" takes
34 effect.

35 d. A tax of six and three-eighths percent is imposed upon

1 the sales price derived from the operation of all forms of
2 amusement devices and games of skill, games of chance, raffles,
3 and bingo games as defined in [chapter 99B](#), and card game
4 tournaments conducted under [section 99B.27](#), that are operated
5 or conducted within the state, the tax to be collected from
6 the operator in the same manner as for the collection of taxes
7 upon the sales price of tickets or admission as provided in
8 [this section](#). Nothing in [this subsection](#) shall legalize any
9 games of skill or chance or slot-operated devices which are
10 now prohibited by law. This paragraph takes effect on July 1
11 of the fiscal year in which the department receives the third
12 certification that commodity organizations have collected
13 twenty million dollars from clean water assessments during the
14 preceding fiscal year as provided in section 466B.55.

15 ~~b.~~ e. The tax imposed under [this subsection](#) covers the
16 total amount from the operation of games of skill, games
17 of chance, raffles, and bingo games as defined in chapter
18 99B, card game tournaments conducted under [section 99B.27](#),
19 and musical devices, weighing machines, shooting galleries,
20 billiard and pool tables, bowling alleys, pinball machines,
21 slot-operated devices selling merchandise not subject to the
22 general sales taxes and on the total amount from devices or
23 systems where prizes are in any manner awarded to patrons and
24 upon the receipts from fees charged for participation in any
25 game or other form of amusement, and generally upon the sales
26 price from any source of amusement operated for profit, not
27 specified in [this section](#), and upon the sales price from which
28 tax is not collected for tickets or admission, but tax shall
29 not be imposed upon any activity exempt from sales tax under
30 section 423.3, subsection 78. Every person receiving any sales
31 price from the sources described in [this section](#) is subject to
32 all provisions of [this subchapter](#) relating to retail sales tax
33 and other provisions of [this chapter](#) as applicable.

34 5. a. There is imposed a tax of six percent upon the sales
35 price from the furnishing of services as defined in section

1 423.1. This paragraph is repealed on the date that paragraph
2 "b" takes effect.

3 b. There is imposed a tax of six and one-eighth percent
4 upon the sales price from the furnishing of services as defined
5 in section 423.1. This paragraph takes effect on July 1 of
6 the fiscal year in which the department receives the first
7 certification that commodity organizations have collected
8 twenty million dollars from clean water assessments during the
9 preceding fiscal year as provided in section 466B.55. This
10 paragraph is repealed on the date that paragraph "c" takes
11 effect.

12 c. There is imposed a tax of six and two-eighths percent
13 upon the sales price from the furnishing of services as defined
14 in section 423.1. This paragraph takes effect on July 1 of
15 the fiscal year in which the department receives the second
16 certification that commodity organizations have collected
17 twenty million dollars from clean water assessments during the
18 preceding fiscal year as provided in section 466B.55. This
19 paragraph is repealed on the date that paragraph "d" takes
20 effect.

21 d. There is imposed a tax of six and three-eighths percent
22 upon the sales price from the furnishing of services as defined
23 in section 423.1. This paragraph takes effect on July 1 of
24 the fiscal year in which the department receives the third
25 certification that commodity organizations have collected
26 twenty million dollars from clean water assessments during the
27 preceding fiscal year as provided in section 466B.55.

28 7. a. A tax of six percent is imposed upon the sales
29 price from the sales, furnishing, or service of solid waste
30 collection and disposal service. This paragraph is repealed on
31 the date that paragraph "b" takes effect.

32 b. A tax of six and one-eighth percent is imposed upon the
33 sales price from the sales, furnishing, or service of solid
34 waste collection and disposal service. This paragraph takes
35 effect on July 1 of the fiscal year in which the department

1 receives the first certification that commodity organizations
2 have collected twenty million dollars from clean water
3 assessments during the preceding fiscal year as provided in
4 section 466B.55. This paragraph is repealed on the date that
5 paragraph "c" takes effect.

6 c. A tax of six and two-eighths percent is imposed upon the
7 sales price from the sales, furnishing, or service of solid
8 waste collection and disposal service. This paragraph takes
9 effect on July 1 of the fiscal year in which the department
10 receives the second certification that commodity organizations
11 have collected twenty million dollars from clean water
12 assessments during the preceding fiscal year as provided in
13 section 466B.55. This paragraph is repealed on the date that
14 paragraph "d" takes effect.

15 d. A tax of six and three-eighths percent is imposed upon
16 the sales price from the sales, furnishing, or service of solid
17 waste collection and disposal service. This paragraph takes
18 effect on July 1 of the fiscal year in which the department
19 receives the third certification that commodity organizations
20 have collected twenty million dollars from clean water
21 assessments during the preceding fiscal year as provided in
22 section 466B.55.

23 e. (1) For purposes of this subsection, "solid waste" means
24 garbage, refuse, sludge from a water supply treatment plant
25 or air contaminant treatment facility, and other discarded
26 waste materials and sludges, in solid, semisolid, liquid,
27 or contained gaseous form, resulting from nonresidential
28 commercial operations, but does not include auto hulks; street
29 sweepings; ash; construction debris; mining waste; trees;
30 tires; lead acid batteries; used oil; hazardous waste; animal
31 waste used as fertilizer; earthen fill, boulders, or rock;
32 foundry sand used for daily cover at a sanitary landfill;
33 sewage sludge; solid or dissolved material in domestic
34 sewage or other common pollutants in water resources, such as
35 silt, dissolved or suspended solids in industrial wastewater

1 effluents or discharges which are point sources subject to
 2 permits under section 402 of the federal Water Pollution
 3 Control Act, or dissolved materials in irrigation return flows;
 4 or source, special nuclear, or by-product material defined by
 5 the federal Atomic Energy Act of 1954.

6 (2) A recycling facility that separates or processes
 7 recyclable materials and that reduces the volume of the waste
 8 by at least eighty-five percent is exempt from the tax imposed
 9 by [this subsection](#) if the waste exempted is collected and
 10 disposed of separately from other solid waste.

11 ~~b.~~ f. A person who transports solid waste generated by that
 12 person or another person without compensation shall pay the
 13 tax imposed by [this subsection](#) at the collection or disposal
 14 facility based on the disposal charge or tipping fee. However,
 15 the costs of a service or portion of a service to collect and
 16 manage recyclable materials separated from solid waste by
 17 the waste generator are exempt from the tax imposed by this
 18 subsection.

19 8. a. A tax of six percent is imposed on the sales price
 20 from sales of bundled transactions. This paragraph is repealed
 21 on the date that paragraph "b" takes effect.

22 b. A tax of six and one-eighth percent is imposed on
 23 the sales price from sales of bundled transactions. This
 24 paragraph takes effect on July 1 of the fiscal year in which
 25 the department receives the first certification that commodity
 26 organizations have collected twenty million dollars from clean
 27 water assessments during the preceding fiscal year as provided
 28 in section 466B.55. This paragraph is repealed on the date
 29 that paragraph "c" takes effect.

30 c. A tax of six and two-eighths percent is imposed on
 31 the sales price from sales of bundled transactions. This
 32 paragraph takes effect on July 1 of the fiscal year in which
 33 the department receives the second certification that commodity
 34 organizations have collected twenty million dollars from clean
 35 water assessments during the preceding fiscal year as provided

1 in section 466B.55. This paragraph is repealed on the date
 2 that paragraph "d" takes effect.

3 d. A tax of six and three-eighths percent is imposed on
 4 the sales price from sales of bundled transactions. This
 5 paragraph takes effect on July 1 of the fiscal year in which
 6 the department receives the third certification that commodity
 7 organizations have collected twenty million dollars from clean
 8 water assessments during the preceding fiscal year as provided
 9 in section 466B.55.

10 e. For the purposes of this subsection, a "*bundled*
 11 *transaction*" is the retail sale of two or more distinct and
 12 identifiable products, except real property and services to
 13 real property, which are sold for one nonitemized price. A
 14 "*bundled transaction*" does not include the sale of any products
 15 in which the sales price varies, or is negotiable, based on
 16 the selection by the purchaser of the products included in the
 17 transaction.

18 ~~b.~~ f. "*Distinct and identifiable products*" does not include
 19 any of the following:

20 (1) Packaging or other materials that accompany the retail
 21 sale of the products and are incidental or immaterial to the
 22 retail sale of the products.

23 (2) A product provided free of charge with the required
 24 purchase of another product. A product is "*provided free*
 25 *of charge*" if the sales price of the product purchased does
 26 not vary depending on the inclusion of the product which is
 27 provided free of charge.

28 (3) Items included in the definition of "*sales price*"
 29 pursuant to section 423.1.

30 ~~e.~~ g. "*One nonitemized price*" does not include a price that
 31 is separately identified by product on binding sales or other
 32 supporting sales-related documentation made available to the
 33 customer in paper or electronic form.

34 9. a. A tax of six percent is imposed upon the sales price
 35 from any mobile telecommunications service, including all

1 paging services, that this state is allowed to tax pursuant
2 to the provisions of the federal Mobile Telecommunications
3 Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. §116 et seq. This
4 paragraph is repealed on the date that paragraph "b" takes
5 effect.

6 b. A tax of six and one-eighth percent is imposed upon
7 the sales price from any mobile telecommunications service,
8 including all paging services, that this state is allowed
9 to tax pursuant to the provisions of the federal Mobile
10 Telecommunications Sourcing Act, Pub. L. No. 106-252, 4
11 U.S.C. §116 et seq. This paragraph takes effect on July 1 of
12 the fiscal year in which the department receives the first
13 certification that commodity organizations have collected
14 twenty million dollars from clean water assessments during the
15 preceding fiscal year as provided in section 466B.55. This
16 paragraph is repealed on the date that paragraph "c" takes
17 effect.

18 c. A tax of six and two-eighths percent is imposed upon
19 the sales price from any mobile telecommunications service,
20 including all paging services, that this state is allowed
21 to tax pursuant to the provisions of the federal Mobile
22 Telecommunications Sourcing Act, Pub. L. No. 106-252, 4
23 U.S.C. §116 et seq. This paragraph takes effect on July 1 of
24 the fiscal year in which the department receives the second
25 certification that commodity organizations have collected
26 twenty million dollars from clean water assessments during the
27 preceding fiscal year as provided in section 466B.55. This
28 paragraph is repealed on the date that paragraph "d" takes
29 effect.

30 d. A tax of six and three-eighths percent is imposed
31 upon the sales price from any mobile telecommunications
32 service, including all paging services, that this state is
33 allowed to tax pursuant to the provisions of the federal
34 Mobile Telecommunications Sourcing Act, Pub. L. No. 106-252,
35 4 U.S.C. §116 et seq. This paragraph takes effect on July 1

1 of the fiscal year in which the department receives the third
2 certification that commodity organizations have collected
3 twenty million dollars from clean water assessments during the
4 preceding fiscal year as provided in section 466B.55.

5 e. For purposes of this subsection, taxes on mobile
6 telecommunications service, as defined under the federal Mobile
7 Telecommunications Sourcing Act that are deemed to be provided
8 by the customer's home service provider, shall be paid to
9 the taxing jurisdiction whose territorial limits encompass
10 the customer's place of primary use, regardless of where the
11 mobile telecommunications service originates, terminates,
12 or passes through and shall in all other respects be taxed
13 in conformity with the federal Mobile Telecommunications
14 Sourcing Act. All other provisions of the federal Mobile
15 Telecommunications Sourcing Act are adopted by the state of
16 Iowa and incorporated into this subsection by reference. With
17 respect to mobile telecommunications service under the federal
18 Mobile Telecommunications Sourcing Act, the director shall, if
19 requested, enter into agreements consistent with the provisions
20 of the federal Act.

21 14. a. The sales tax rate of six percent is reduced to five
22 percent on January 1, 2030. This paragraph is repealed on the
23 date that paragraph "b" takes effect.

24 b. Notwithstanding paragraph "a", if the sales tax rate is
25 six and one-eighth percent, the sales tax rate is reduced to
26 five and one-eighth percent on January 1, 2030. This paragraph
27 is repealed on the date that paragraph "c" takes effect.

28 c. Notwithstanding paragraph "a", if the sales tax rate
29 is six and two-eighths percent, the sales tax rate is reduced
30 to five and two-eighths percent on January 1, 2030. This
31 paragraph is repealed on the date that paragraph "d" takes
32 effect.

33 d. Notwithstanding paragraph "a", if the sales tax rate is
34 six and three-eighths percent, the sales tax rate is reduced to
35 five and three-eighths percent on January 1, 2030.

1 Sec. 104. Section 423.5, Code 2017, is amended to read as
2 follows:

3 **423.5 Imposition of tax.**

4 ~~1. Except as provided in paragraph "c", an excise tax at the~~
5 ~~rate of six percent of the purchase price or installed purchase~~
6 ~~price is imposed on the following:~~

7 a. (1) The Except as provided in subsection 4, an excise
8 tax of six percent of the purchase price is imposed on the
9 use in this state of tangible personal property as defined in
10 section 423.1, including aircraft subject to registration under
11 section 328.20, purchased for use in this state.

12 (2) This paragraph "a" is repealed on the date that
13 paragraph "b" takes effect.

14 b. (1) Except as provided in subsection 4, an excise tax of
15 six and one-eighth percent of the purchase price is imposed on
16 the use in this state of tangible personal property as defined
17 in section 423.1, including aircraft subject to registration
18 under section 328.20, purchased for use in this state.

19 (2) This paragraph "b" takes effect on July 1 of the fiscal
20 year in which the department receives the first certification
21 that commodity organizations have collected twenty million
22 dollars from clean water assessments during the preceding
23 fiscal year as provided in section 466B.55.

24 (3) This paragraph "b" is repealed on the date that
25 paragraph "c" takes effect.

26 c. (1) Except as provided in subsection 4, an excise tax of
27 six and two-eighths percent of the purchase price is imposed on
28 the use in this state of tangible personal property as defined
29 in section 423.1, including aircraft subject to registration
30 under section 328.20, purchased for use in this state.

31 (2) This paragraph "c" takes effect on July 1 of the fiscal
32 year in which the department receives the second certification
33 that commodity organizations have collected twenty million
34 dollars from clean water assessments during the preceding
35 fiscal year as provided in section 466B.55.

1 (3) This paragraph "c" is repealed on the date that
 2 paragraph "d" takes effect.

3 d. (1) Except as provided in subsection 4, an excise tax
 4 of six and three-eighths percent of the purchase price is
 5 imposed on the use in this state of tangible personal property
 6 as defined in section 423.1, including aircraft subject to
 7 registration under section 328.20, purchased for use in this
 8 state.

9 (2) This paragraph takes effect on July 1 of the fiscal year
 10 in which the department receives the third certification that
 11 commodity organizations have collected twenty million dollars
 12 from clean water assessments during the preceding fiscal year
 13 as provided in section 466B.55.

14 2. For the purposes of [this subchapter](#), the furnishing
 15 or use of the following services is also treated as the use
 16 of tangible personal property: optional service or warranty
 17 contracts, except residential service contracts regulated under
 18 chapter 523C, vulcanizing, recapping, or retreading services,
 19 engraving, photography, retouching, printing, or binding
 20 services, and communication service when furnished or delivered
 21 to consumers or users within this state.

22 ~~b.~~ 3. a. (1) The Except as provided in subsection 4, an
 23 excise tax of six percent of the purchase price is imposed on
 24 the use of manufactured housing in this state, on the purchase
 25 price if the manufactured housing is sold in the form of
 26 tangible personal property or on the installed purchase price
 27 if the manufactured housing is sold in the form of realty.

28 (2) This paragraph "a" is repealed on the date that
 29 paragraph "b" takes effect.

30 b. (1) Except as provided in subsection 4, an excise tax of
 31 six and one-eighth percent of the purchase price is imposed on
 32 the use of manufactured housing in this state, on the purchase
 33 price if the manufactured housing is sold in the form of
 34 tangible personal property or on the installed purchase price
 35 if the manufactured housing is sold in the form of realty.

1 (2) This paragraph "b" takes effect on July 1 of the fiscal
2 year in which the department receives the first certification
3 that commodity organizations have collected twenty million
4 dollars from clean water assessments during the preceding
5 fiscal year as provided in section 466B.55.

6 (3) This paragraph "b" is repealed on the date that
7 paragraph "c" takes effect.

8 c. (1) Except as provided in subsection 4, an excise tax of
9 six and two-eighths percent of the purchase price or installed
10 purchase price is imposed on the use of manufactured housing in
11 this state, on the purchase price if the manufactured housing
12 is sold in the form of tangible personal property or on the
13 installed purchase price if the manufactured housing is sold
14 in the form of realty.

15 (2) This paragraph "c" takes effect on July 1 of the fiscal
16 year in which the department receives the second certification
17 that commodity organizations have collected twenty million
18 dollars from clean water assessments during the preceding
19 fiscal year as provided in section 466B.55.

20 (3) This paragraph "c" is repealed on the date that
21 paragraph "d" takes effect.

22 d. (1) Except as provided in subsection 4, an excise tax
23 of six and three-eighths percent of the purchase price or
24 installed purchase price is imposed on the use of manufactured
25 housing in this state, on the purchase price if the
26 manufactured housing is sold in the form of tangible personal
27 property or on the installed purchase price if the manufactured
28 housing is sold in the form of realty.

29 (2) This paragraph "d" takes effect on July 1 of the fiscal
30 year in which the department receives the third certification
31 that commodity organizations have collected twenty million
32 dollars from clean water assessments during the preceding
33 fiscal year as provided in section 466B.55.

34 ~~e.~~ 4. An excise tax at the rate of five percent is imposed
35 on the use of vehicles subject only to the issuance of a

1 certificate of title and the use of manufactured housing, and
 2 on the use of leased vehicles, if the lease transaction does
 3 not require titling or registration of the vehicle, on the
 4 amount subject to tax as calculated pursuant to section 423.26,
 5 subsection 2.

6 ~~d.~~ 5. Purchases of tangible personal property made from
 7 the government of the United States or any of its agencies by
 8 ultimate consumers shall be subject to the tax imposed by this
 9 section. Services purchased from the same source or sources
 10 shall be subject to the service tax imposed by [this subchapter](#)
 11 and apply to the user of the services.

12 ~~e.~~ 6. a. (1) The An excise tax of six percent of the
 13 purchase price is imposed on the use in this state of services
 14 enumerated in [section 423.2](#).

15 (2) This paragraph "a" is repealed on the date that
 16 paragraph "b" takes effect.

17 b. (1) An excise tax of six and one-eighth percent of the
 18 purchase price is imposed on the use in this state of services
 19 enumerated in section 423.2.

20 (2) This paragraph "b" takes effect on July 1 of the fiscal
 21 year in which the department receives the first certification
 22 that commodity organizations have collected twenty million
 23 dollars from clean water assessments during the preceding
 24 fiscal year as provided in section 466B.55.

25 (3) This paragraph "b" is repealed on the date that
 26 paragraph "c" takes effect.

27 c. (1) An excise tax of six and two-eighths percent of the
 28 purchase price is imposed on the use in this state of services
 29 enumerated in section 423.2.

30 (2) This paragraph "c" takes effect on July 1 of the fiscal
 31 year in which the department receives the second certification
 32 that commodity organizations have collected twenty million
 33 dollars from clean water assessments during the preceding
 34 fiscal year as provided in section 466B.55.

35 (3) This paragraph "c" is repealed on the date that

1 paragraph "d" takes effect.

2 d. (1) An excise tax of six and three-eighths percent
 3 of the purchase price is imposed on the use in this state of
 4 services enumerated in section 423.2.

5 (2) This paragraph "d" takes effect on July 1 of the fiscal
 6 year in which the department receives the third certification
 7 that commodity organizations have collected twenty million
 8 dollars from clean water assessments during the preceding
 9 fiscal year as provided in section 466B.55.

10 e. This tax is applicable where the service is first used
 11 in this state.

12 ~~2.~~ 7. The excise tax is imposed upon every person using
 13 the property within this state until the tax has been paid
 14 directly to the county treasurer, the state department of
 15 transportation, a retailer, or the department. This tax is
 16 imposed on every person using the services or the product of
 17 the services in this state until the user has paid the tax
 18 either to an Iowa use tax permit holder or to the department.

19 ~~3.~~ 8. For the purpose of the proper administration of the
 20 use tax and to prevent its evasion, evidence that tangible
 21 personal property was sold by any person for delivery in this
 22 state shall be prima facie evidence that such tangible personal
 23 property was sold for use in this state.

24 ~~4.~~ 9. Any person or that person's affiliate, which is a
 25 retailer in this state or a retailer maintaining a place of
 26 business in this state under [this chapter](#), that enters into a
 27 contract with an agency of this state must register, collect,
 28 and remit Iowa use tax under [this chapter](#) on all sales of
 29 tangible personal property and enumerated services. Every
 30 bid submitted and each contract executed by a state agency
 31 shall contain a certification by the bidder or contractor
 32 stating that the bidder or contractor is registered with the
 33 department and will collect and remit Iowa use tax due under
 34 this chapter. In the certification, the bidder or contractor
 35 shall also acknowledge that the state agency may declare the

1 contract or bid void if the certification is false. Fraudulent
 2 certification, by act or omission, may result in the state
 3 agency or its representative filing for damages for breach of
 4 contract.

5 ~~5. 10. a. The use tax rate of~~ If the use tax rate is six
 6 percent is reduced to five percent on January 1, 2030, the rate
 7 shall be reduced to five percent on that date.

8 b. If the use tax rate is six and one-eighth percent
 9 on January 1, 2030, the rate shall be reduced to five and
 10 one-eighth percent on that date.

11 c. If the use tax rate is six and two-eighths percent
 12 on January 1, 2030, the rate shall be reduced to five and
 13 two-eighths percent on that date.

14 d. If the use tax rate is six and three-eighths percent
 15 on January 1, 2030, the rate shall be reduced to five and
 16 three-eighths percent on that date.

17 Sec. 105. Section 423.43, subsection 1, paragraph b, Code
 18 2017, is amended to read as follows:

19 b. Subsequent to the deposit into the general fund of the
 20 state and after the transfer of such revenues collected under
 21 chapter 423B, the department shall transfer ~~one-sixth~~ all of
 22 the following:

23 (1) (a) If the department receives the first certification
 24 described in section 423.5, revenues equaling one-eighth of one
 25 percent of the tax imposed by that section shall be transferred
 26 to the natural resources and outdoor recreation trust fund
 27 created in section 461.31.

28 (b) If the department receives the second certification
 29 described in section 423.5, revenues equaling two-eighths
 30 of one percent of the tax imposed by that section shall be
 31 transferred to the natural resources and outdoor recreation
 32 trust fund created in section 461.31.

33 (c) If the department receives the third certification
 34 described in section 423.5, revenues equaling three-eighths
 35 of one percent of the tax imposed by that section shall be

1 transferred to the natural resources and outdoor recreation
2 trust fund created in section 461.31.

3 (2) One-sixth of such remaining revenues to the secure an
4 advanced vision for education fund created in section 423F.2.
5 This paragraph is repealed December 31, 2029.

6 Sec. 106. NEW SECTION. 461.31A Allocation of trust fund
7 moneys to the clean water fund.

8 On or after July 1 of each fiscal year and prior to any
9 allocations to a trust fund account, an amount shall be
10 transferred to the general account of the clean water fund
11 created in section 466B.51. The transferred amount shall equal
12 the amount credited to the assessment account of the clean
13 water fund during prior fiscal years.

14 Sec. 107. Section 461.32, subsection 1, Code 2017, is
15 amended to read as follows:

16 1. A natural resources account is created in the trust
17 fund. Twenty-three After the transfer has been made from the
18 trust fund to the clean water fund pursuant to section 461.31A,
19 twenty-three percent of the remaining moneys credited to the
20 trust fund shall be allocated to the trust fund's natural
21 resources account.

22 Sec. 108. Section 461.33, subsection 1, Code 2017, is
23 amended to read as follows:

24 1. A soil conservation and water protection account is
25 created in the trust fund. Twenty After the transfer has been
26 made from the trust fund to the clean water fund pursuant
27 to section 461.31A, twenty percent of the moneys credited to
28 the trust fund shall be allocated to the trust fund's soil
29 conservation and water protection account.

30 Sec. 109. Section 461.34, subsection 1, Code 2017, is
31 amended to read as follows:

32 1. A watershed protection account is created in the trust
33 fund. Fourteen After the transfer has been made from the trust
34 fund to the clean water fund pursuant to section 461.31A,
35 fourteen percent of the moneys credited to the trust fund shall

1 be allocated to the trust fund's watershed protection account.

2 Sec. 110. Section 461.35, Code 2017, is amended to read as
3 follows:

4 **461.35 Iowa resources enhancement and protection fund —**
5 **allocation.**

6 ~~Thirteen~~ After the transfer has been made from the trust fund
7 to the clean water fund pursuant to section 461.31A, thirteen
8 percent of the moneys credited to the trust fund shall be
9 allocated to the Iowa resources enhancement and protection fund
10 created in [section 455A.18](#) for further allocation as provided
11 in [section 455A.19](#).

12 Sec. 111. Section 461.36, subsection 1, Code 2017, is
13 amended to read as follows:

14 1. A local conservation partnership account is created in
15 the trust fund. ~~Thirteen~~ After the transfer from the trust
16 fund has been made to the clean water fund pursuant to section
17 461.31A, thirteen percent of the moneys credited to the trust
18 fund shall be allocated to the trust fund's local conservation
19 partnership account.

20 Sec. 112. Section 461.37, subsection 1, Code 2017, is
21 amended to read as follows:

22 1. A trails account is created in the trust fund. ~~Ten~~
23 After the transfer from the trust fund has been made to the
24 clean water fund pursuant to section 461.31A, ten percent of
25 the moneys credited to the trust fund shall be allocated to the
26 trust fund's trails account.

27 Sec. 113. Section 461.38, subsection 1, Code 2017, is
28 amended to read as follows:

29 1. A lake restoration account is created in the trust fund.
30 ~~Seven~~ After the transfer from the trust fund has been made to
31 the clean water fund pursuant to section 461.31A, ten percent
32 of the moneys credited to the trust fund shall be allocated to
33 the account.

34 Sec. 114. Section 466A.3, subsection 1, unnumbered
35 paragraph 1, Code 2017, is amended to read as follows:

1 A watershed improvement review board is established. The
2 board shall advise the clean water commission created in
3 section 466B.52.

4 Sec. 115. Section 466A.3, subsection 4, unnumbered
5 paragraph 1, Code 2017, is amended to read as follows:

6 The watershed improvement review board shall carry out
7 the purposes of **this chapter** as provided in **section 466A.2**,
8 including by determining how moneys are to be expended from
9 the watershed improvement fund and authorizing the expenditure
10 of moneys from the fund. In carrying out those purposes, and
11 acting upon direction of the clean water commission, the board
12 shall do all of the following:

13 Sec. 116. Section 466A.5, Code 2017, is amended to read as
14 follows:

15 **466A.5 Administration.**

16 1. The division of soil conservation and water quality
17 created within the department of agriculture and land
18 stewardship pursuant to **section 159.5** shall provide
19 administrative support to the board. The division shall
20 administer this chapter under the oversight of the clean water
21 commission created in section 466B.52.

22 2. Not more than one percent of the total moneys deposited
23 in the general account of the watershed improvement fund on
24 July 1 of a fiscal year or fifty thousand dollars, whichever is
25 less, is appropriated each fiscal year to the division for the
26 purposes of assisting the watershed improvement review board
27 in administering **this chapter**.

28 Sec. 117. Section 466B.2, Code 2017, is amended by adding
29 the following new subsections:

30 NEW SUBSECTION. 01. "*Commission*" means the clean water
31 commission created in section 466B.52.

32 NEW SUBSECTION. 2A. "*Iowa nutrient reduction strategy*"
33 means the latest version of the document entitled "Iowa
34 Nutrient Reduction Strategy" initially presented in 2012 by the
35 department of agriculture and land stewardship, the department

1 of natural resources, and Iowa state university of science and
2 technology.

3 Sec. 118. Section 466B.3, subsections 1 and 2, Code 2017,
4 are amended to read as follows:

5 1. *Council established.* A water resources coordinating
6 council is established within the department of agriculture
7 and land stewardship. The council shall carry out the
8 powers and duties described in this section in accordance
9 with the policies and under the direction and supervision of
10 the commission. The council shall advise the commission as
11 required by the commission.

12 2. *Purpose.* The purpose of the council shall be to advise
13 the commission regarding strategies and methods to preserve
14 and protect Iowa's water resources, and to coordinate the
15 management of those resources in a sustainable and fiscally
16 responsible manner. In the pursuit of this purpose providing
17 advice to the commission and acting in accordance with its
18 policies, and under its direction and supervision, the
19 council shall use an integrated approach to water resource
20 management, recognizing that insufficiencies exist in current
21 approaches and practices, as well as in funding sources and
22 the utilization of funds. The integrated approach used by the
23 council shall attempt to overcome old categories, labels, and
24 obstacles with the primary goal of managing the state's water
25 resources comprehensively rather than compartmentally.

26 Sec. 119. Section 466B.3, subsection 3, unnumbered
27 paragraph 1, Code 2017, is amended to read as follows:

28 The success of ~~the council's~~ efforts made under this section
29 shall ultimately be measured by the following outcomes:

30 Sec. 120. Section 466B.3, subsection 6, paragraph c, Code
31 2017, is amended to read as follows:

32 c. The council, acting in accordance with the policies and
33 under the direction and supervision of the commission, shall
34 develop recommendations for policies and funding promoting a
35 watershed management approach to reduce the adverse impact

1 of future flooding on this state's residents, businesses,
 2 communities, and soil and water quality. The council and the
 3 commission shall consider policies and funding options for
 4 various strategies to reduce the impact of flooding, including
 5 but not limited to additional floodplain regulation; wetland
 6 protection, restoration, and construction; the promulgation and
 7 implementation of statewide storm water management standards;
 8 conservation easements and other land management; perennial
 9 ground cover and other agricultural conservation practices;
 10 pervious pavement, bioswales, and other urban conservation
 11 practices; and permanent or temporary water retention
 12 structures. In developing recommendations, the council and
 13 the commission shall consult with hydrological and land use
 14 experts, representatives of cities, counties, drainage and
 15 levee districts, agricultural interests, and soil and water
 16 conservation districts, and other urban and regional planning
 17 experts.

18 Sec. 121. Section 466B.31, subsection 1, Code 2017, is
 19 amended to read as follows:

20 1. a. A watershed planning advisory council is established
 21 for purposes of assembling a diverse group of stakeholders
 22 to review research and make recommendations to various state
 23 entities regarding methods to protect water resources in the
 24 state, assure an adequate supply of water, mitigate and prevent
 25 floods, and coordinate the management of those resources in
 26 a sustainable, fiscally responsible, and environmentally
 27 responsible manner.

28 b. The council shall carry out the powers and duties
 29 described in this section in accordance with the policies
 30 and under the direction and supervision of the commission.
 31 The council shall advise the commission as required by the
 32 commission.

33 c. The advisory commission shall supervise the council may
 34 seek in seeking input from councils of governments or other
 35 organizations in the development of its recommendations. The

1 advisory council shall meet once a year and at other times as
 2 deemed necessary to meet the requirements of **this section**.
 3 The advisory council may appoint a task force to assist the
 4 advisory council in completing its duties.

5 Sec. 122. Section 466B.31, subsection 3, unnumbered
 6 paragraph 1, Code 2017, is amended to read as follows:

7 By December 1 of each year, the watershed planning advisory
 8 council with approval by the commission shall submit a report
 9 to the governor, the general assembly, the department of
 10 agriculture and land stewardship, the department of natural
 11 resources, and the water resources coordinating council. The
 12 report shall include recommendations regarding all of the
 13 following:

14 Sec. 123. Section 466B.42, Code 2017, is amended to read as
 15 follows:

16 **466B.42 Water quality initiative.**

17 ~~The division shall establish a~~ A water quality initiative
 18 is established in order to assess and reduce nutrients in this
 19 state's watersheds, including subwatersheds, and regional
 20 watersheds. ~~The division~~ commission shall ~~establish~~ oversee
 21 and the division, acting in accordance with the policies
 22 and under the direction and supervision of the commission,
 23 shall administer the water quality initiative and advise
 24 the commission as required by the commission. As part of
 25 the initiative, the division shall administer projects to
 26 reduce nutrients in surface waters from nonpoint sources
 27 in a scientific, reasonable, and cost-effective manner.
 28 The commission and the division shall utilize a pragmatic,
 29 strategic, and coordinated approach with the goal of
 30 accomplishing reductions over time.

31 Sec. 124. NEW SECTION. **466B.51 Clean water fund.**

32 1. A clean water fund is created in the state treasury
 33 under the management and control of the clean water commission.
 34 The clean water fund is composed of a general account, an
 35 assessment account, and an expenditures account.

1 2. The clean water fund's general account includes moneys
2 transferred from the natural resources and outdoor recreation
3 trust fund pursuant to section 461.31A, moneys appropriated
4 to the general account from the general assembly, and other
5 moneys available to and obtained or accepted by the commission,
6 including moneys from public or private sources. However, the
7 general account shall not include moneys transferred from a
8 commodity organization as described in subsection 3. Except as
9 provided in subsection 3, all moneys received by the commission
10 for deposit into the clean water fund shall be credited to the
11 general account.

12 3. The clean water fund's assessment account includes the
13 following moneys collected and transferred to the account from
14 the following commodity organizations:

15 a. The Iowa dairy industry commission as established in
16 chapter 179 or the Iowa state dairy association as recognized
17 in that chapter, which shall transfer moneys collected from the
18 state assessment for clean water as provided in that chapter,
19 including section 179.5.

20 b. The Iowa beef cattle producers association as established
21 in chapter 181 which shall transfer moneys from the state
22 assessment as provided in that chapter, including section
23 181.13.

24 c. The Iowa sheep and wool promotion board established
25 pursuant to chapter 182 which shall transfer moneys from the
26 state assessment as provided in that chapter, including section
27 182.18.

28 d. The Iowa pork producers council as established in chapter
29 183A, or the Iowa pork producers association as recognized
30 in that chapter, which shall transfer moneys from the state
31 assessment as provided in that chapter, including section
32 183A.7.

33 e. The Iowa egg council as established in chapter 184 which
34 shall transfer moneys from the state assessment as provided in
35 that chapter, including section 184.13.

1 *f.* The Iowa turkey marketing council as established in
2 chapter 184A which shall transfer moneys from the state
3 assessment as provided in that chapter, including section
4 184A.4.

5 *g.* The Iowa soybean association as recognized in chapter
6 185 which shall transfer moneys from the state assessment as
7 provided in that chapter, including section 185.26.

8 *h.* The Iowa corn promotion board as established in chapter
9 185C which shall transfer moneys from the state assessment as
10 provided in that chapter, including section 185C.26.

11 4. The clean water fund's expenditures account only
12 includes moneys transferred from the general account and the
13 state assessment account as provided in this section.

14 5. *a.* Moneys in the clean water fund shall not be used for
15 any purpose other than described in this section.

16 *b.* Moneys in the general account shall not be used for any
17 purpose other than for transfer to the expenditures account.

18 *c.* Moneys in the assessment account shall not be used for
19 any purpose other than to do the following:

20 (1) Pay administrative expenses which are limited to all of
21 the following:

22 (a) Reimbursing the department of agriculture and land
23 stewardship or a commodity organization for all reasonable
24 costs of conducting a referendum to determine if a state
25 assessment for clean water is to be established, continued, or
26 terminated. The division shall apply to the executive council
27 if necessary to receive moneys required to pay for reasonable
28 costs of conducting a referendum as provided in section 7D.10B.

29 (b) Remitting refunds of moneys to persons who have paid a
30 state assessment for clean water to a commodity organization,
31 if the application for a refund has been approved by the
32 commodity organization and submitted to the department as
33 required by the division of soil conservation and water
34 quality.

35 (c) Paying reasonable expenses associated with the

1 collection and transfer of moneys associated with the
2 collection of the state assessment for clean water and the
3 processing of refund applications associated with such
4 collection.

5 (d) Transfer remaining moneys to the expenditures account
6 as provided in this section.

7 6. Moneys in the fund's expenditures account shall be
8 expended by the clean water commission to support programs
9 and projects administered to improve the state's watersheds
10 and surface waters, including but not limited to projects
11 associated with the water quality initiative established
12 pursuant to section 466B.42. Moneys in the expenditures
13 account shall be used to support soil conservation and
14 watershed protection, the installation of conservation
15 practices and watershed protection improvements as provided
16 in chapters 161A, 161C, 461A, 466, and 466A. Moneys in the
17 expenditures account shall also be used to support water
18 quality programs and projects administered by the Iowa finance
19 authority under chapter 16.

20 7. Notwithstanding section 8.33, moneys in the clean
21 water fund shall not revert. Notwithstanding section 12C.7,
22 subsection 2, interest or earnings on moneys in the fund shall
23 be credited to the fund.

24 Sec. 125. NEW SECTION. **466B.52 Clean water commission —**
25 **appointment and administration.**

26 1. A clean water commission is created which shall be housed
27 in the division of soil conservation and water quality of the
28 department of agriculture and land stewardship.

29 2. The commission shall be comprised of nine voting members
30 appointed by the governor.

31 3. The commission shall also be comprised of four
32 legislative members who shall serve in a nonvoting, ex officio
33 capacity. The legislative members shall include all of the
34 following:

35 a. Two members of the senate. One senator shall be

1 appointed by the majority leader of the senate and one senator
2 shall be appointed by the minority leader of the senate.

3 *b.* Two members of the house of representatives. One
4 member shall be appointed by the speaker of the house of
5 representatives and one member shall be appointed by the
6 minority leader of the house of representatives.

7 4. The commission shall also be comprised of persons
8 appointed by commodity organizations described in section
9 466B.51 who shall serve in a nonvoting, ex officio capacity.
10 Each commodity organization may appoint one person if producers
11 who are members of the commodity organization have approved
12 the establishment of a state assessment for clean water to be
13 transferred to the clean water fund created in section 466B.51.

14 5. Voting members shall serve four-year terms and may be
15 reappointed. The initial terms of the voting members shall
16 be staggered at the discretion of the governor. Nonvoting
17 members shall serve at the pleasure of the persons or commodity
18 organizations making their appointments.

19 6. Sections 69.16, 69.16A, and 69.19 shall apply to the
20 voting members. The voting members are subject to senate
21 confirmation.

22 7. *a.* A member, other than a legislative member, is
23 eligible to receive compensation as provided in section 7E.6,
24 and shall be reimbursed for actual and necessary expenses
25 incurred in performance of the members' duties. All expenses
26 shall be paid from appropriations for such purposes and the
27 commission shall be subject to the budget requirements of
28 chapter 8.

29 *b.* A legislative member serves for a term as provided in
30 section 69.16B and is eligible for per diem and expenses as
31 provided in section 2.10.

32 8. The commission shall meet in January of each year for the
33 purpose of electing one of its voting members as chairperson.

34 9. The commission shall meet on a regular basis and at the
35 call of the chairperson or upon the written request to the

1 chairperson of five or more voting members. Written notice
2 of the time and place of the meeting shall be given to each
3 member.

4 10. A majority of voting members constitutes a quorum,
5 and the affirmative vote of a majority of the voting members
6 is necessary for any action taken by the board, except that a
7 lesser number may adjourn a meeting.

8 11. Any vacancy in the membership of the commission shall
9 be filled in the same manner as regular appointments are made
10 for the unexpired portion of the regular term. A vacancy in
11 the membership of the commission does not impair the rights of
12 a quorum to exercise all rights and perform all duties of the
13 commission.

14 12. A person shall not serve as a member of the commission
15 if the person has an interest in a contract or job of work or
16 material or the profits thereof or service to be performed
17 for the department of agriculture and land stewardship or
18 department of natural resources. Any member of the commission
19 who accepts employment with or acquires any stock, bonds, or
20 other interest in any company or corporation doing business
21 with the department of agriculture and land stewardship or the
22 department of natural resources shall be disqualified from
23 remaining a member of the commission.

24 13. The department of agriculture and land stewardship in
25 cooperation with the department of natural resources shall
26 assist the commission by doing all of the following:

27 a. Provide the commission with necessary facilities, items,
28 and clerical support.

29 b. Perform administrative functions necessary for the
30 management of the commission.

31 Sec. 126. NEW SECTION. 466B.53 Clean water commission —
32 powers and duties.

33 1. The purpose of the clean water commission shall be to
34 identify and finance methods to improve surface water quality,
35 including by reducing contributing contaminant loads to

1 receiving surface waters and reducing soil erosion and sediment
2 loss.

3 2. In furthering the purpose set forth in subsection 1, the
4 clean water commission shall do all of the following:

5 a. Develop comprehensive water quality policies and plans,
6 that identify existing plans, programs, and projects. The
7 commission shall use existing data and amend, augment, and
8 consolidate existing plans or strategies which have improved or
9 which promise to improve water quality.

10 b. Identify additional water quality improvement needs on a
11 watershed basis, including the need to develop new or innovate
12 programs or projects.

13 c. Measure the effectiveness and results of programs and
14 projects according to performance measures and associated
15 benchmarks. The data demonstrating accountability collected by
16 the department shall be made readily available and maintained
17 in a computer-readable format.

18 3. The clean water commission shall establish objectives
19 of programs described in subsection 2 to be achieved by
20 dates identified by the commission which may include program
21 timelines and milestones. The commission shall measure and
22 monitor progress toward achieving program objectives.

23 4. The commission shall develop comprehensive water quality
24 policies and plans, that integrate existing plans, programs,
25 and projects in accordance with the Iowa nutrient reduction
26 strategy. The commission shall use existing data and amend,
27 augment, and consolidate existing plans or strategies which
28 have improved or which promise to improve water quality.
29 The commission shall also develop new comprehensive water
30 quality policies and plans, that integrate existing plans,
31 programs, and projects. The information collected by the
32 department shall be made readily available and maintained in a
33 computer-readable format.

34 5. The commission shall identify additional water quality
35 improvement needs on a watershed basis, including the need to

1 develop new or innovate programs or projects.

2 6. By October 1, 2019, and by October 1 of each year
3 thereafter, the commission shall submit a report to the
4 governor and the general assembly used to support the programs
5 described in subsection 2. A report shall include all of the
6 following:

7 a. A description and update of the current status of water
8 quality programs and associated projects, and the expenditure
9 of moneys appropriated to support the programs and associated
10 projects administered by state entities, including but not
11 limited to the department of agriculture and land stewardship,
12 the department of natural resources, Iowa state university
13 of science and technology, the Iowa finance authority, and
14 watershed management authorities.

15 b. An evaluation of the successes and failures of a
16 water quality program and any associated project in meeting
17 the program's objectives. The report shall include any
18 legislative proposals to enact, amend, or repeal statutes and
19 any administrative proposals to adopt, revise, or rescind
20 administrative rules.

21 7. The Iowa finance authority, the department of natural
22 resources, and the department of agriculture and land
23 stewardship shall cooperate with the commission in providing
24 the commission with all information necessary for the
25 commission to carry out the provisions of this section.

26 Sec. 127. NEW SECTION. 466B.54 Clean water commission —
27 study.

28 1. The clean water commission, in cooperation with the
29 department of agriculture and land stewardship, the department
30 of natural resources, and the Iowa finance authority shall
31 prepare and submit a clean water evaluation and expenditure
32 report to the governor and general assembly by January 15,
33 2018.

34 2. The clean water evaluation and expenditure report shall
35 include all of the following:

1 a. A description of current clean water programs and
2 projects, and the expenditure of moneys appropriated to
3 support those programs and projects. The report shall evaluate
4 successes and failures of each program and project in meeting
5 water quality objectives. The report may also recommend
6 methods to improve the program.

7 b. A plan for allocating moneys in the expenditures account
8 of the clean water fund created in section 466B.51. The plan
9 shall include a formula which takes into account the extent to
10 which moneys may be used for all of the following:

11 (1) Watersheds requiring immediate improved surface water
12 quality.

13 (2) The establishment of infrastructure, conservation
14 measures, and practices that reduce contributing nutrient
15 loads, associated sediment, or contaminants from nonpoint
16 sources to surface waters in a scientific, reasonable, and
17 cost-effective manner.

18 (3) The administration of programs or projects in a manner
19 that is consistent with the Iowa nutrient reduction strategy.

20 (4) The degree to which political subdivisions or
21 stakeholders have demonstrated a willingness and have the
22 resources to participate in programs or projects.

23 (5) The degree to which clean water programs can attract
24 additional funding from private and public sources including
25 federal funding.

26 3. The clean water evaluation and expenditure report shall
27 include a detailed plan for consolidating all water quality
28 and soil conservation initiatives and programs and associated
29 projects administered by the department of agriculture and
30 land stewardship, the department of natural resources, and the
31 Iowa finance authority under the overall supervision of the
32 commission. The plan shall include any legislative proposals
33 to enact, amend, or repeal statutes and any administrative
34 proposals to adopt, revise, or rescind administrative rules.

35 Sec. 128. NEW SECTION. 466B.55 Secretary of agriculture,

1 treasurer of state, and auditor of state — certifications.

2 1. By March 1 of each fiscal year, the secretary of
3 agriculture, the treasurer of state, and the auditor of
4 state shall meet to verify whether one or more commodity
5 organizations are collecting a clean water assessment as
6 described in section 466B.51. The secretary of agriculture
7 shall prepare a certification for delivery to the Iowa
8 administrative code editor for publication in the Iowa
9 administrative bulletin.

10 2. By March 1 of each fiscal year, the secretary of
11 agriculture, the treasurer of state, and the auditor of state
12 shall together verify the total amount of moneys collected
13 by all commodity organizations certified under subsection 1
14 during the preceding fiscal year. If a commodity organization
15 was certified after the end of the preceding fiscal year, the
16 commodity organization shall be deemed to have collected a
17 clean water assessment at the rate in effect on the date of the
18 commodity organization's certification.

19 3. By April 1 of each fiscal year when the secretary of
20 agriculture, the treasurer of state, and the auditor of state
21 verify that during the preceding fiscal year twenty million
22 dollars was collected by all commodity organizations under
23 subsection 2, the secretary of agriculture shall prepare a
24 certification for delivery to all of the following:

25 a. The director of revenue.

26 b. The administrative code editor who shall publish the
27 certification in the Iowa administrative bulletin.

28 c. The Iowa Code editor.

29 4. This section is repealed on July 1 of the fiscal year in
30 which the secretary of agriculture prepares and delivers the
31 third certification as required in subsection 3.

32 DIVISION X

33 ADMINISTRATION

34 Sec. 129. NAME CHANGE TO REFERENDUM FOR DIRECT USE. Nothing
35 in this Act requires the department of agriculture and land

1 stewardship or a commodity organization described in section
 2 466B.51, as enacted in this Act, to conduct a referendum
 3 because of this Act's reference to a referendum as a referendum
 4 for direct use.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with
 7 the explanation's substance by the members of the general assembly.

8 This bill relates to agricultural commodity organizations
 9 representing producers of that commodity that are authorized
 10 to impose an excise tax or "assessment" (and commonly
 11 referred to as a "checkoff") on the commodity when first
 12 sold by the producer to a first purchaser. The goal of the
 13 assessment is to fund promotional activities which involve
 14 market development, research, and education. The commodity
 15 organizations include the Iowa dairy industry commission or
 16 Iowa state dairy association (Code chapter 179), Iowa beef
 17 cattle producers association (Code chapter 181), Iowa sheep and
 18 wool promotion board (Code chapter 182), Iowa pork producers
 19 council or Iowa pork producers association (Code chapter 183A),
 20 Iowa egg council (Code chapter 184), the Iowa turkey marketing
 21 council (Code chapter 184A), the Iowa soybean association
 22 (Code chapter 185), and the Iowa corn promotion board (Code
 23 chapter 185C). The bill requires a commodity organization
 24 to establish a separate state assessment for clean water, if
 25 approved by a majority of its members at a referendum. The
 26 bill also requires commodity organizations to conduct a special
 27 referendum to increase the rate of the assessment for clean
 28 water. The rate of the state assessment is established by the
 29 governing body of the commodity organization not to exceed the
 30 assessment for direct use or national assessment or both. The
 31 referendum would be conducted in the same manner as an initial
 32 or special referendum conducted by the commodity organization
 33 under its specific Code chapter. The special assessment could
 34 be continued or terminated in the same manner as the commodity
 35 organization's assessment for promotional activities. Moneys

1 from the state assessment would be collected by the commodity
2 organization and transferred to a newly created clean water
3 fund.

4 The bill establishes a clean water commission housed in
5 the division of soil conservation and water quality of the
6 department of agriculture and land stewardship. The commission
7 is composed of nine voting members appointed by the governor,
8 four legislative members who serve in a nonvoting, ex officio
9 capacity, and persons appointed by the commodity organizations,
10 who also serve in a nonvoting, ex officio capacity.

11 Appointments are contingent on the commodity organization
12 having approved the establishment of a state assessment for
13 clean water to be transferred to the clean water fund. The
14 purpose of the commission is to finance methods to improve
15 surface water quality, including by reducing contributing
16 contaminant loads to receiving surface waters and reducing soil
17 erosion and sediment loss. The commission is responsible for
18 overseeing the water quality initiative as administered by the
19 division of soil conservation and water quality.

20 Moneys collected from the state assessment are to be
21 credited to the clean water fund which is under the supervision
22 of the commission. The fund is composed of a general
23 account, an assessment account, and an expenditures account.
24 The fund's general account includes moneys transferred
25 from the constitutionally protected natural resources and
26 outdoor recreation trust fund (Code section 461.31), moneys
27 appropriated by the general assembly, and other moneys
28 available to and obtained or accepted by the commission.
29 Moneys collected from the state assessment are to be credited
30 to the assessment account. The bill also includes an
31 expenditures account which only includes moneys transferred
32 from the general account and the assessment account for
33 purposes of financing methods to improve surface water quality.
34 Moneys transferred from the assessment account are to be used
35 to reimburse the department of agriculture and land stewardship

1 or a commodity organization for reasonable costs of conducting
2 a referendum to determine if a state assessment for clean water
3 is to be established, continued, or terminated. The commission
4 can also apply to the executive council for moneys required to
5 pay for reasonable costs of conducting a referendum. Moneys
6 deposited into the expenditures account may also be used to
7 pay refunds to producers who have paid the state assessment
8 if the refund application has been approved by the commodity
9 organization.

10 The bill provides for possible progressive increases
11 in state sales and use taxes. An increased amount must be
12 credited to the natural resources and outdoor recreation trust
13 fund according to a constitutional amendment (Article VII,
14 section 10). The amount credited to the fund must be equal
15 to the amount generated by an increase in the state sales tax
16 rate occurring after the effective date of the constitutional
17 amendment, not to exceed a rate of three-eighths of one percent
18 (0.375). The state sales tax rate has not been increased since
19 November 2, 2010, the date when the constitutional amendment
20 was ratified. The bill provides that an increase of one-eighth
21 of one percent in the sales tax is triggered each of three
22 fiscal years when the secretary of agriculture, the treasurer
23 of state, and the auditor of state certify that a total of \$20
24 million in clean water assessments for that preceding year was
25 collected by participating commodity organizations. The bill
26 revises the allocations from the natural resources and outdoor
27 recreation trust fund as set forth in statute (Code chapter
28 461). On July 1 of each fiscal year, an amount of moneys in
29 the Code chapter 461 trust fund equal to the amount in the
30 clean water fund's assessment account is to be transferred to
31 the clean water fund's general account. The moneys remaining
32 in the Code chapter 461 trust fund are to be allocated on a
33 percentage basis as set forth in statute.

34 The commission, in cooperation with the department of
35 agriculture and land stewardship, the department of natural

1 resources, and the Iowa finance authority, must submit a
2 report to the governor and general assembly by January 15,
3 2019, which includes a description of current clean water
4 programs and projects and a detailed plan for consolidating all
5 water quality and soil conservation initiatives and programs
6 and associated projects administered by the department of
7 agriculture and land stewardship, the department of natural
8 resources, and the Iowa finance authority under the overall
9 supervision of the commission.